Austria ... Sch. 18	Indonesia ... Rp [illegible]	Portugal ... Esc 75
Bahrain ... Din 0.650	Italy ... L [illegible]	S. Arabia ... Rs [illegible]
Belgium ... BFr 35	Japan ... [illegible]	Singapore ... S$ 4.10
Canada ... C$1.00	Jordan ... Fils 500	Spain ... Pta [illegible]
Cyprus ... Mils 600	Kuwait ... Fils 500	Sri Lanka ... Rup 30
Denmark ... DKr 7.25	Lebanon ... [illegible]	Sweden ... SKr 6.50
Egypt ... [illegible]	Luxembourg ... LFr 35	Switzerland ... SFr [illegible]
Finland ... Fmk 5.50	Malaysia ... [illegible]	Taiwan ... NT$ 35
France ... Fr 6.00	Mexico ... Pes. [illegible]	Tunisia ... [illegible]
Germany ... DM 2.20	Morocco ... Dh [illegible]	Turkey ... [illegible]
Greece ... Dr [illegible]	Netherlands ... Fl [illegible]	U.A.E. ... Dh [illegible]
Hong Kong ... HK$ 12	Norway ... NKr 6.00	U.S.A. ... [illegible]
India ... Rup. 15	Philippines ... Pes. [illegible]	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,272 Thursday March 15 1984 D 8523 B

Detroit climate turns colder for car union bosses, Page 6

NEWS SUMMARY

GENERAL

Howe to visit Moscow in July

Sir Geoffrey Howe, the British foreign Secretary, will visit Moscow on July 2 and 3 for talks with Mr Andrei Gromyko, the Soviet Foreign Minister, and other officials.

Sir Geoffrey said he was not hoping for any dramatic breakthrough but to broaden contacts, to discuss issues such as the Middle East and to gain better understanding of Soviet interests. Other British ministers are also planning visits.

The July visit was arranged at the Stockholm disarmament conference in January, when Sir Geoffrey expressed concern at the Soviet walkout from the Geneva missile talks.

Fish imports halted

Imports of fish into Spain by road were brought to a stop yesterday at the frontiers between France and the Spanish Basque country, and foreign lorries had to be escorted by police after a series of attacks in the aftermath of last week's clash between the French navy and Spanish fishermen.

Signing snubbed

Mozambique President Samora Machel's invitation to fellow leaders Robert Mugabe of Zimbabwe, Julius Nyerere of Tanzania and Kenneth Kaunda of Zambia to attend tomorrow's signing of the non-agression pact with South Africa has been declined, according to diplomats. Meanwhile, South Africa has welcomed an offer by President Kaunda for a summit meeting with black national leaders. Page 4

Bombing charges

Five Libyans being held in connection with explosions in London and Manchester will be deported from Britain, said Home Secretary Leon Brittan. Four others have been charged with serious offences arising from the bombings.

Iran boycott plea

Nineteen Arab League nations have asked for countries to avoid new contacts with Iran which could prolong the Gulf war. This falls short of Iraq's proposals for industrial nations to sever all ties with Iran.

Beirut peace holds

The ceasefire on Beirut's mid-city line was generally holding as Lebanese reconciliation talks in Lausanne were adjourned for detailed study of long-term reforms.

Thai border clash

Thai troops have been ordered to the north-west border after police clashed with Burmese troops who entered Thailand in pursuit of rebels.

Swedish pay deal

Swedish municipal workers, including bus drivers, clerks, nurses and professors, yesterday concluded a deal that will result in pay increases of between 10 and 12 per cent over the next two years.

Soviet ship blazes

A Soviet warship with 450 ratings aboard refused assistance after catching fire while off the coast of Norway, shadowing Nato's biggest ever naval manoeuvres. It overcame the difficulties.

Murderer executed

Convicted murderer James Autry was executed by injection in Huntsville, Texas, after the Supreme Court rejected an appeal. He received a *stay of execution* last October.

BUSINESS

EEC call for extra payments this year

EUROPEAN Commission President Gaston Thorn told the European Parliament that EEC member-governments would have to make extra payments for this year's budget to pay for "unavoidable" agricultural expenditure. The decision is bound to bring controversy. Page 3

DOLLAR recovered from a weak start on foreign exchanges yesterday. It fell to DM 2.567 (DM 2.5715) and FFr 7.915 (FFr 7.9225) and rose to SwFr 2.1265 (SwFr 2.123) and Y224 (Y223.1). Its Bank of England trade-weighted index fell from 125.4 to 124.7. In New York it closed at DM 2.5842, SwFr 2.143, FFr 7.965 and Y224.6. Page 49

STERLING closed weaker against most currencies, easing by 20 points to $1.467, and dropping to DM 3.7675 (DM 3.78), and FFr 11.6075 (FFr 11.635), but improving to SwFr 3.1225 (SwFr 3.12) and Y328.75 (Y328). Its trade weighting, logged before the close of trading, went up from 80.9 to 81.1. In New York it closed at $1.4605. Page 49

LONDON: FT Industrial Ordinary index eased by 0.4 to 864.6. Government securities showed some marginal falls. Report, Page 43; FT Share Information Service, Pages 44-46

WALL STREET: Dow Jones industrial average closed 1.28 up at 1,168.04. Page 39; full share listings, Pages 40-42

TOKYO: Nikkei Dow index was up 129.24 at 10,324, and the Stock Exchange index was 12.14 up at a record 818.94. Report, Page 39; leading prices, other exchanges, Page 42

GOLD rose $1.75 in London to $399.5. In Frankfurt, it rose $2.5 to $399.75, and in Zurich it went up $2 to $399.75. In New York the Comex March settlement was $394.1 ($398.5). Page 48

UK AVERAGE earnings growth slowed to a provisional 7.1 per cent in the year to January from a revised 8 per cent in the year to December. Page 9

WEST GERMANY approved a DM 3bn ($1.2bn) programme towards closing the technology gap with the U.S. and Japan. Page 3

ITALIAN officials open talks in Moscow next week on a contract to buy Siberian gas. Page 7

TRAFALGAR HOUSE, the UK shipping and property group, has been given Monopolies and Mergers Commission approved to bid for shipping rival P&O. Page 8

GUEST KEEN & NETTLEFOLDS, the UK engineering and industrial group, announced its best results since 1979, with 1983 pre-tax profits 116 per cent up at £88.1m ($129.2m). Lex, Page 26; details, Page 34

SAN FRANCISCO appeal court has reinstated charges against three people of conspiring to pass IBM computer secrets to Japan. A lower court dismissed the case in 1982 when lawyers refused to hand over documents about the relationship between IBM and the FBI.

RANK XEROX of the U.S. has agreed to collaborate with Tecsi-Software of France on specialised artificial intelligence systems for use in banks, industry and administrative bodies. Page 7

ITT announced 1983 net income 1.8 per cent up at $675m. Page 27

FLETCHER CHALLENGE, the New Zealand conglomerate, reported a profit of NZ$64.5m for the half ended December, 52 per cent up on 1982. Page 28

SWEDISH MATCH improved 1983 pre-tax profits by 115 per cent at SKr 417m ($55m).

Mondale claims to have halted Hart's momentum

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

THE DEMOCRATIC presidential contest in the U.S. effectively narrowed to a two-man race yesterday, with both leading contenders claiming victory in Tuesday's series of nine state primaries and caucuses.

Senator Gary Hart of Colorado won three of the five primaries and showed strongly in caucus votes in the West. But his rival, former Vice-President Walter Mondale, rallied in the South to win Georgia and Alabama.

Mr Mondale claimed to have stopped Mr Hart's "tremendous momentum," and predicted a marathon struggle that could go all the way to the party's national convention in San Francisco in mid-July. Mr Mondale, the clear front runner until only two weeks ago, yesterday said that the fight was only just beginning.

Mr George McGovern, who was beaten in the 1972 presidential election, dropped out of the race after missing his target of first or second place in Massachusetts.

Senator John Glenn of Ohio, who failed to relaunch his candidacy in the biggest Democratic test of election year so far, was still "considering his position" yesterday. With his campaign now in serious financial, as well as political, difficulty, he was expected to bow out in the days ahead, leaving only the Rev Jesse Jackson, the Chicago black activist, still in contention behind the two leaders.

With almost all the vote counted, Mr Hart won Massachusetts by 39 to 26 per cent over Mr Mondale, and Florida by 39 to 33 per cent. The Florida victory was regarded as particularly important by the Hart campaign technicians, who had *sought a major win outside New* England to establish their candidate's credentials as a serious national challenger.

Mr Hart won the Rhode Island primary by 45 to 35 per cent over Mr Mondale, and was winning the *Washington state and Nevada* caucuses. The two men were neck and neck in Oklahoma, where the final results were still awaited, and Mr Mondale won the Hawaii caucus, where Mr Hart was not on the ballot.

Mr Mondale's most important achievement, however, was to carry Georgia by 30 to 27 per cent against Mr Hart and Alabama by 34 per cent. Mr Glenn and Mr Hart were equal second in Alabama with 21 *per cent each, followed* closely by Mr Jackson with 20 per cent.

Mr Mondale's hard-fought victories in Georgia and Alabama were widely considered sufficient to keep him credibly in a race in which the next major milestones will be the *Michigan caucus on Saturday and* Tuesday's crucial primary in Illinois.

Mr Mondale was still ahead in the delegate count for the national convention, which officially nominates the party's presidential candidate, thanks largely to his earlier strong showing in the selection of at-large delegates from the Democratic Party in the House of Representatives.

Against a total of 1,967 needed to *win the nomination*, the delegate tally yesterday stood at 297 for Mr Mondale and 198 for Mr Hart. Mr Jackson was a distant third with 35 delegates, and 147 were uncommitted.

Mr Hart brushed aside sugges*tions from the Mondale camp that* his astonishing strength was beginning to ebb.

Mondale to go the distance, Page 24

High-tech embargo gives free range to 'cowboys'

By Leslie Colitt in Leipzig

A SIGN at the display stand of Getac Instrumentenbau, a small West German company exhibiting at the Leipzig East-West Trade Fair, proclaims: "American embargo regulations do not permit our systems to be exhibited. We regret this."

Dr Hans J. Fiedler, Getac's manager, is embittered by the virtual collapse of his Eastern European sales of U.S.-made instruments because of tighter U.S. restrictions on high-technology exports to the East. He and representatives of other high-tech Western companies maintain that the crackdown is counterproductive and a bonanza for "cowboys" who are able to provide the East with whatever it wants – at a price.

Until last year, Dr Fiedler had a flourishing market in East Germany and Czechoslovakia for microanalysis and spectrochemical analysis X-ray systems built in the U.S. He was routinely granted U.S. export licences within six weeks and Getac delivered 26 systems to East Germany at $50,000 a unit. Attached to electron microscopes, they are used in biology, metallurgy and in the control of semiconductors.

In mid-1983, however, he failed to receive the usual reply from the U.S. Commerce Department after applying for an export licence. He *also received no reply after* requesting a permit to display the products in Eastern Europe. He says that on a trip to Washington he was told the applications were never received.

Dr Fiedler was told two months ago by the department that it had confidential information that the prospective customer in the East was involved in defence activities and it was not in the U.S. interest to sell the equipment.

Dr Susanne Lotarski, head of the department's Soviet Union and Eastern Europe office, who visited the Leipzig Fair, said that long delays in approving (and denying) high-tech items for export were the most damaging aspect for businessmen. The department is in a constant struggle with the Department of Defence over which items are to be put on the embargo list.

Dr Fiedler maintains that West Germany's strict adherence to the lists of the Paris Cocom office, which regulates militarily sensitive exports, has put him at a disadvantage against a French competitor. The French company, he says, is reselling U.S. systems to Czechoslovakia and the Soviet Union without obstacles.

Continued on Page 26

UK to switch focus of tax reforms from companies to incomes

BY MAX WILKINSON AND OUR FINANCIAL STAFF IN LONDON

THE BRITISH Government has decided that future tax reform is likely to be directed to the personal sector, with a heavy emphasis on cut*ting the burden of income tax, rath*er than to the corporate sector.

Mr Nigel Lawson, Chancellor of the Exchequer, made clear yesterday that he thought the main reforms of company taxation announced in his budget on Tuesday would be enough for the next few years.

These developments also went in the wake of the budget yesterday:

- British commercial banks cut their base lending rates by ½ point to 8½ per cent. Details, Page 26.
- Bank stocks fell sharply on the London Stock Exchange as stock analysts warned that the budget would expose them to large new tax liabilities arising out of their leasing business. By some estimates, the four largest banks will have to take more than £1bn ($1.47bn) out of their shareholder funds to plug gaps in their balance sheets. That, in turn, will weaken their capital ratios and possibly force them to sell more debt or equity on the capital markets.
- The Government said it intended to sell its remaining minority shareholdings in several quoted companies which it has sold in part to the private sector.
- The oil industry expressed concern that it might be liable for more than £250m in accelerated payments of value-added tax (VAT) because of the budget.

In the four years 1985-86 to 1988-89, Treasury calculations suggest that there should be scope for tax cuts of £13.5bn ($19.7bn) provided the UK economy stays on a moderate growth track and the Chancellor can keep to his tight financial targets.

That would be enough to cut the basic rate of income tax from its present 30 per cent to around 20 per cent by the end of the period.

It is highly unlikely, however, that the Chancellor would wish to use all of the scope for "fiscal adjustment" in that way. It seems his preference would be to make further progress in raising the thresholds and allowances in real terms to take more people out of the tax net and to reduce the impact of higher rate taxes on the middle-income bands.

> The British Treasury does not expect a substantial shift of operations by multinational *groups from London* as a result of the discussions to phase out the 50 per cent tax relief for foreign employees working for overseas companies. **Details and other analysis and reaction, Page 12; economic viewpoint, Page 25.**

Mr Lawson appears to believe that there is less need to spell out a grand strategy for the reform of personal taxation, as he did with corporation tax, since changes can be made year by year, depending on the cash available.

The basic rate of corporation tax is being cut to 50 per cent for the 1983-84 tax year and then in 5-percentage-point increments to a planned 35 per cent rate by 1986-87. Allowances for capital investment and stock relief are, however, being phased out.

It is clear that Mr Lawson wants to pursue three general themes in reforming personal taxation:

- A simplification of the capital gains tax (CGT) rules, probably with a reduction in the rates of CGT and capital transfer tax.
- A further shift of the burden from direct to indirect taxes. He would probably consider a further extension of the coverage of value-added tax as he did in Tuesday's budget, but it seems unlikely that the present rate of 15 per cent would be raised in the lifetime of this parliament, which must end by June 1988 at the latest.
- Some limited further reform of the structure of income tax by a matched reduction in rates and allowances which can be set against tax. That would be a parallel kind of reform to that announced for corporation tax.

It appears, however, that the most important of the tax allowances – for interest relief on home purchase loans – is regarded as sacrosanct by Mrs Margaret Thatcher, *the Prime Minister*.

Treasury projections for future tax cuts are, of course, surrounded by many uncertainties. In view of the large contingency reserves now being built into public expenditure plans, it is generally thought in the City of London that the prospects for cuts are quite good, at least in the next year or two.

Spending plans up to 1986-87 have been agreed at least in principle by the Cabinet. For the last two years of the five-year plan in Tuesday's budget, however, the spending totals are only "assumptions."

It follows that the £7bn allocated for "fiscal adjustment" in those two years could be used either for tax cuts or for increased spending. There is no doubt, however, that Downing Street will put all its weight behind the use of this money for tax cuts.

David Lascelles, Banking Correspondent, writes: The full impact of the budget on the banks is tied up in the complexities of leasing, which is why the implications took a while to sink in. Mr Tim Clarke, analyst at London stockbroker Grieveson Grant, told his clients yesterday: "It is our view that the market has not taken on board the full adverse implications of these events."

The shock stems from Mr Lawson's decision to phase out capital allowances, which are tax breaks for businesses that invest in new *plant and equipment. The banks,* through their leasing business, make great use of capital allowances, which amounted, until Tues-

Continued on Page 26

Argentina ready to agree banks' loan conditions

BY JIMMY BURNS IN BUENOS AIRES

SR BERNARDO GRINSPUN, Argentina's Economy Minister, has told local parliamentarians he hopes to sign a letter of intent to the International Monetary Fund (IMF) soon, paving the way for agreement with commercial bank creditors on a rescheduling of part of the country's $43.6bn debt.

His statement to a parliamentary budget committee has come as a relief to the international banking community, which has recently been increasingly uneasy about Argentina's willingness to deal with the IMF.

Sr Grinspun is understood to have accepted – if reluctantly – the banks' apparently united stand that they could not easily extend fresh credit to Argentina to reduce debt service arrears, estimated at $3bn, unless there is a clear prospect of an agreement with the fund.

At the same time, the Argentine authorities are worried about the bad light that would be cast on them if no settlement with the banks were to be reached before March 31. That is the deadline before which some of the arrears must be reduced if U.S. banks are to avoid putting their loans on a non-performing basis.

Argentine officials hope an early signature of a letter of intent would substantially reduce the tension surrounding the debt talks – and lead to the release of the $1bn balance of the $1.5bn medium-term loan, arranged as part of last year's package.

In Buenos Aires it is hoped that an arrangement with the banks – under which Argentina would immediately use the $1bn to settle some of the arrears – could be thrashed out during the meeting later this month of the Inter-American Development Bank in Punta del Este, to be attended by Sr Grinspun and other high-ranking Argentine officials.

> The Government's difficulties in completing its inventory of foreign debt and its draft budget for 1984 might stand in the way of achievement of an arrangement with the banks this month, according to local analysts.

Some local analysts, however, believe such a target may prove over-optimistic given the Government's *difficulties completing its inventory* of its foreign debt and draft budget for 1984. Sr Grinspun, moreover, is apparently determined to gain the approval for the letter of intent from an inter-party parliamentary committee.

Officials continue to stress that Argentina has no intention of breaking with the international financial community and is only seeking a give-and-take attitude and a little more time to put its *house in order*.

Argentina's official debt strategy, however, includes a determination to seek easier terms from the banks – unconfirmed reports here suggest the Government may press for 1 per cent over the London interbank offered rate and a repayment schedule of more than five years on payments falling due in 1984, in addition to a revision of the terms of the public sector debt contracts carried over from 1983 and still not signed.

Olivetti goes ahead by 73% after sales and interest boost

BY ALAN FRIEDMAN IN IVREA

OLIVETTI, Europe's leading data processing equipment company, yesterday unveiled a 73.2 per cent jump in its 1983 parent company pre-tax profits to L200.4bn ($128.5m).

The increase, achieved on the back of the back of a 21 per cent rise in parent company turnover to L1,874bn ($1.2bn), came as a result of higher domestic sales and re*duced 1983 interest costs.*

The parent company also recorded a 49 per cent leap in net profits to L140.3bn. In both cases the parent company showed that it had moved off the profits plateau of 1981-82, when only modest improvements were recorded.

Although consolidated group results will not be available until May, total Olivetti group turnover is expected to show an 11.8 per cent increase to L3,736bn. Total net indebtedness of the Olivetti group fell by L39bn last year to L917.7bn.

The parent company's net indebtedness was also down from L211.7bn to L188.5bn at the year's end. Parent company current assets reached L2,051bn at the year's end.

Sig Carlo de Benedetti, Olivetti chairman, told an extraordinary shareholders' meeting at the company's Ivrea headquarters yesterday that the 1983 results were "the best achieved by the parent company and by the group to date."

Sig de Benedetti said that two increases in share capital were scheduled, the first being the issue of 100m new shares priced at L3,300 each. Those are designed to provide American Telephone and Telegraph with a 25 per cent stake in Olivetti, for which it is paying $260m.

Olivetti has entered a global alliance with the American telecommunications giant. It is to supply AT&T with products worth about $700m for the U.S. market through 1986. Of that some $250m of products are being sold in 1984.

Olivetti also announced a L30bn increase in share capital designed to enable its employees to subscribe for non-convertible shares.

CONTENTS

Polish church and state square up over the cross

BY CHRISTOPHER BOBINSKI IN WARSAW

THE STATE of peaceful co-existence which has developed in recent years between the Roman Catholic Church and the Polish authorities is threatened by a dispute over one of Christianity's sacred symbols, the cross.

Protests by pupils in the small town of Garwolin demanding to have crucifixes put back on the walls in their state schoolrooms have won the backing of the church leadership and could spread. The two sides have thus been set on a collision course.

Crucifixes in schools are a recurring issue in post-war Poland. They go up during political thaws and come down when the authorities re-establish control.

After the Pope's triumphal visit to Poland last summer, the Warsaw government, encouraged by its East European allies to demonstrate that it had not sold out completely to the clergy, decided to order the crucifixes down. Given the advances the church has made in the past few years—such as new buildings, new publications and greater toleration in general—the Communist party leadership reckoned that the bishops would acquiesce.

The bishops did protest last autumn, but the crucifixes have been coming down. Not until pupils at the Garwolin agricultural school held their one-day sit-in strike did the issue come to a head.

Bishop Jan Mazur, coming straight from a meeting last Tuesday of the bishops' general council, told a packed congregation in Garwolin that "the church does not retreat." The party authorities appear to have underestimated the symbolic significance of the crucifix as an issue the church would find it difficult to compromise over.

Cardinal Jozef Glemp, the Polish Primate, has been put in a very difficult predicament. Speaking at a private meeting to priests in Niepokalanow at the end of December, he criticised the official policy on crucifixes as "an expression of something alien which is being imposed on us." But he added: "The church understands concrete realities.

"These were, according to the Cardinal, that Poland is now in a situation where the nation's statehood is under threat. This is an unpopular truth which people do not want to accept."

It is his conviction that public disorder could lead to Soviet intervention in Poland and his belief that bloodshed should be avoided that has underpinned his conciliatory policies since the martial law crackdown two years ago.

However, for many people looking to the church to express their frustration at losing the Solidarity movement and the freedom which went with it, the Cardinal's position has been difficult to accept and his public standing has suffered.

What is more, Cardinal Glemp considers that some of the Polish leadership can be trusted. He told the priests at Niepokalanow: "Among those people who rule Poland, there are also honest men, but their freedom of manoeuvre is very limited."

As both sides dig in on the crucifixes issue, it is widely believed, not least by the Church, that the accession to the Soviet leadership of Mr Konstantin Chernenko means that freedom of manoeuvre has become all the more limited.

Social statistics report provides vivid snapshot, writes David Housego in Paris

French grow taller, faster and desert the city

HOW MUCH have the French changed over the past 10 years? According to the official statistics institute INSEE, the average French male is 1.5cm taller but has remained the same weight. The average French female is no taller but has lost a kilo.

In 1980 the height of the average Frenchman aged over 20 was 171.5cm, compared with 165cm in 1850 – which confirms the trend throughout the industrialised world that people have grown taller. But more than that, the French are growing more rapidly. They now reach their maximum height when 19 to 20 years old, compared with 25 in the 1850s.

These and myriad other facts on how the French live, eat, marry, work and study have emerged in a trienniel report of social statistics published yesterday. It provides a vivid snapshot of France in the 1980s.

One of the most striking conclusions is that massive urbanisation that engulfed France over the last century – and particularly in the prosperous years from 1954–1975 – has now ceased. INSEE says that for the first time in more than 100 years the population of the rural communities is growing faster than that of towns.

The population of Paris, which was still growing 3.6 per cent a year between 1968–1975, declined by 0.5 per cent a year between 1975 and 1982. In the case of Lyon, the reversal has been more rapid, with an annual population growth of 7.5 per cent in the early period turning into an annual decline of 1 per cent after 1975.

Not surprisingly, the reverse migration back to the countryside has been mainly to villages on the edge of the major towns. But, none the less, two out of every three rural communities have seen their populations grow.

Contrary to popular belief, the living standards of executives and managers grew more slowly than that of any other class in the prosperous 15 years up to 1979. A French executive's family in 1979 was 2.4 times better off than that of a French worker. But over the 15 years of right-wing government that preceded, it was the living standards of the least well off, of farmers and workers, that grew the sharpest.

Marriage has become less frequent and divorce more common. In 1972 there were 417,000 marriages compared with only 315,000 in 1981. The number of divorces doubled from 37,400 in 1970 to 77,200 in 1979.

Some 37 per cent of French women use the contraceptive pill or the inter-uterine device (coil), making Roman Catholic France one of the largest users of modern contraceptive methods amongst European countries.

The INSEE figures confirm the expansion that has occured of supermarkets and hypermarkets at the expense of the small grocer. French families bought 38 per cent of their food in supermarkets in 1980, compared with only 10 per cent in 1969. Over 54 per cent of their drink came from supermarkets, as opposed to 12 per cent 10 years before.

The French devoted only 0.4 per cent of their household budgets to their pets in 1979 – the same proportion as they spent on children's toys and on baby minders. The average French working woman spent 40 minutes of her week playing with children and a further 20 ensuring that they did their homework. But she spent 11 hrs 35 minutes in the kitchen or doing the washing-up.

Young Dublin jobless take heroin route

Brendan Keenan reports on a growing social problem

EARLIER this month over 2,000 Dubliners—parents, children, clergy and community workers—marched to the Irish parliament demanding action against the heroin dealers who have brought misery to many of the city's most deprived areas. Among their placards were several reading "Jobs, not junk."

Those who think of the republic as "Catholic Ireland" found it hard to believe that Dublin could have a heroin problem. Yet a survey in the worst affected parts of the inner city found that 10 per cent of young people there had used the drug, rates comparable to those of New York.

The heroin may have become available because of developments far from Ireland, but the pushers seem to have found a ready market among the unemployed youth of the inner city where the jobless rate is over 30 per cent.

And the problem may not be confined to the inner city. Dublin's population explosion has created new suburban estates full of young families. In some, 80 per cent of the residents are under 25, and vandalism, car thefts and petty crime are endemic.

Professional economists say Ireland does not have a youth unemployment problem as such—the 20 per cent unemployment rate is much the same for young and old. But because of the concentration of young people in the Dublin estates, this may not be evident.

Dublin's history can be seen from the concentric rings of housing around it. The Georgian centre reflects the city's 18th-century heyday but there is a marked absence of the Victorian and Edwardian villas so typical of Belfast. The industrial revolution passed by Dublin. Instead, Georgiana merges almost at once into vast modern housing estates, built for the phenomenal population increase of the past 20 years.

This concentration is part of a general sharp demographic change in Ireland. Today, half

The heroin may have become available because of developments far from Ireland, but the pushers seem to have found a ready market among the unemployed youth of inner Dublin.

the population is under 25, and in the 20 years to 1981, the number of people aged between 15 and 24 rose by 55 per cent.

Ireland shows a markedly different pattern in the statistics for youth unemployment from other European countries. The difference between the unemployment rates for those under 25 and those over 25 is less than in other countries, but the rate of increase is much sharper. The pressures of a growing young population have also made the human effects to the problem more visible. The sheer numbers of children and young people on the streets of Dublin strike any visitor.

The population pressures will ease over the next few years; the numbers under 30 in the Dublin area are expected to rise by 6 per cent over the next ten years, compared with the one-third jump of the previous decade. But a problem has already been created and officials in organisations such as the Youth Employment Agency draw a distinction between the inner city and the new suburbs.

The inner city does not have a particularly high population of young people, but unemployment is typically 30 per cent or more as traditional jobs on the docks or in the clothing industry have declined. It is also suffering from general urban decay.

The sudden emergence of heroin addiction as a major problem in the inner city areas has shocked a country which still prides itself on its traditional values. The emergence of community groups to fight the heroin pushers shows those values still survive, although there is some concern that the groups could be exploited by militant political activists, or descend into vigilante activities.

The only Member of the Dail (Parliament) to represent these groups directly is Mr Tony Gregory, who says community workers have made changes in youth training programmes to make them more relevant to the young people involved. Officials accept that few of the youngsters will find jobs at the end, but courses in football coaching have proved popular and useful because the trainees can put their skills to work in local schools and youth clubs.

In some ways the situation may be worse in the sprawling suburbs. The percentage of long-term young unemployed may be lower than in the city, but those who do not make it into the jobs market have even less support. Mr Mervyn Taylor, a Labour MP who represents a suburban area, foresees serious social problems of the kind which have affected the city centre if things do not improve. Nightly car-stealing and occasional gang fights provide evidence that this is already happening.

The speed of Dublin's growth and an absence of good planning have left many of the suburbs bleak and isolated places. Areas like Tallaght, with 40,000 inhabitants, are small towns but the transport services, and even the police, are still geared to the rural villages they used to be.

Irish politicians are well aware of the youth unemployment problem and the need to act. One spectacular gesture was the imposition of a 1 per cent levy on all incomes to fund youth unemployment programmes, which now brings in I£80m (£65m) a year.

But this amount of guaranteed revenue has led to questions over whether too much attention is being paid to the problems of the young. Mr Niall Greene, although chief executive of YEA, is anxious that his programmes should not displace older workers. He believes that as much as 80 per cent of the resources committed to combating unemployment go to the under-25s.

The other problem is to co-ordinate the various bodies which have responsibility in the field. Mr Greene's proposal is to devolve decisions to local areas, which would be particularly relevant for Dublin whose problems, can seem very foreign to those in Tralee or Galway.

Such a suggestion runs counter to all the instincts of the Irish bureacracy, which has added to the concentration of power it inherited from the British 60 years ago. Mr Greene hopes however that Mr Ruairi Quinn, the new young Labour Minister, will agree and produce an overall manpower policy.

In the meantime, Ireland cannot tell whether its burgeoning youth are an asset or a liability. They are well-educated, well-fed and impatient with the past, a new phenomen in the country's modern history.

Optimists say that is just what new high-technology and service industries will want in the years ahead. Pessimists say ultimately that the young will have to take to the emigrant ships like their ancestors. For the moment they are staying put, the country is holding its breath.

Athens calls for support on economy

By Andriana Ierodiaconou in Athens

MR GERASSIMOS ARSENIS, the Greek National Economy Minister, yesterday appealed to both the private sector and trade unions to support the Socialist Government's efforts to pull the economy out of recession in 1984. Mr Arsenis said the Government aims to reduce inflation from 20 per cent in 1982 to 18 per cent this year and to boost GDP growth from 0.4 per cent to 1.5 per cent.

"We are planning a modest recovery in 1984, but it cannot be considered certain unless there is general co-operation" Mr Arsenis said.

The Minister urged the private sector to take "decisions with imagination and bearing" on investments and new industrial products. Businessmen had to realise that the period of "protectionism and handouts" was over.

Mr Arsenis also warned workers against excessive wage demands and urged them to work harder to boost national productivity.

"Change (*allaghi*, the Socialists' slogan) needs work. Nothing can be achieved without work," he said. "The 1984 wage policy in the public and private sector exhausts the margins of the Greek economy. Trade union demands going beyond this will undermine the future of workers—greater increases in salaries will lead to increased unemployment and a reduction in real wages in the final analysis."

In an indirect answer to Mr Arsenis, Mr Theodore Papalexopoulos, the president of the Federation of Greek Industries warned in a speech yesterday that Greece was going through "a weakening of the entrepreneurial spirit."

He blamed this on "contradictions and inconsistencies" in government policy.

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FRANCE AND ITALY BLOCK EARLY PAYMENT TO BRITAIN

Rebate row threatens EEC summit

BY JOHN WYLES IN BRUSSELS

A MOVE by France and Italy to block the early payment of a £457m rebate to Britain could well have a damaging impact on next week's vital EEC summit negotiations.

This was a widely held opinion among Community officials in Brussels yesterday after a Foreign Ministers meeting ended on Tuesday evening on a severely discordant note.

Although supported by Italy, France was being held largely responsible for the Council of Ministers' failure to adopt the detailed regulaions clearing the way for payment by the end of the month of the rebate on Britain's 1983 budget payments.

Sir Geoffrey Howe, the UK Foreign Secretary, warned after the meeting that France and Italy's blockage of the agreement "could well sour the atmosphere of the summit." Representatives of other governments were more explicit yesterday in fearing its effect on the attitude that Mrs Margaret Thatcher, the British Prime Minister, will bring to the summit.

Her position on the arrangements needed for a permanent settlement of the British budget problem is already regarded by most other delegations as inflexible. Now, they fear that her line will be even harder. "This will not encourage Mrs Thatcher to be more compromising," said one EEC official whose government is working hard to bridge the French and British positions.

Nevertheless, France's stand is entirely consistent with statements made by its ministers during and after last June's Stuttgart summit when the rebate was negotiated. Paris takes the view that payment is conditional on a full agreement on the agricultural and budgetary reform negotiations which were launched by the summit.

Thus, as president of the Council of Ministers, France has undertaken to organise a Council meeting next Tuesday after the summit finishes. If there has been agreement, then the regulations will be unblocked. On the same basis, the European Parliament's budget committee would then be expected to release the money from the budget at a meeting on March 22-23.

Britain has always maintained, with support from most other governments, that no such link was agreed at Stuttgart. But it is well aware that the Franco-Italian stand is designed to put the maximum pressure on Mrs Thatcher next week.

Following this week's agricultural negotiations, the British budget issue is the one most likely to be the cause of a summit breakdown. Other governments would try to hold Mrs Thatcher responsible. In addition to this political blame, she would also be forced to act on her threat to withhold part of Britain's budget payments so as to recoup the rebate if it was not paid by March 31.

This is not a law-breaking move the Prime Minister would relish, so the French calculation appears to be that she may be encouraged to take a more flexible line in order to avoid it.

Despite serious reservations about the cost of the outline agreement for dismantling monetary compensatory amounts, Mrs Thatcher is expected to regard as adequate the achievements on agricultural reform, to be completed by farm ministers tomorrow and Saturday.

The move towards elminating the MCAs—the border levies and subsidies which protect the intro-EEC farm trade against currency changes—is based on revaluing the European currency unit for agricultural purposes.

In the first year, this would reduce the West German, British and Dutch positive MCAs (a tax on imports and subsidy for exports) by three points without lowering the prices paid to their farmers. Other countries would receive a three point negative MCA which, when dismantled, would yield 3 per cent price rises for their farmers.

From the beginning of next year, the West German MCA would be reduced by a further five points and the lowering effect on West German farm prices would be offset by a mixture of VAT concessions national and Community aids to West German farmers.

No new positive MCAs would be created as a result of D-Mark revaluations since the agricultural Ecu would be correspandingly revalued. Having made the initial three point cut in its positive MCA, Britain is not committed to any further dismantling.

Rules for auditors spelled out

COMMON EEC standards for the education and training of auditors will come into force from the beginning of 1988 following the adoption by the Ten of the eighth directive on company law harmonisation, John Wyles writes from Brussels.

The directive is meant to complement earlier directives setting out common rules on the contents of accounts and the principles of valuation.

The new directive requires would-be auditors to acquire qualifications equivalent to university entrance level, to complete a minimum of three years practical training and to pass an examination of professional competence equivalent to a final university examination.

Auditors who have not reached university entrance level may approve audits required by Community law if they have 15 years' relevant experience or combine seven years experience with a course of practical training.

Firms of auditors may also be approved, and under the directive the majority of the management of such firms must also be qualified.

The contents of the directive are not thought likely to require any significant changes in existing professional requirements in most member states. Italy—and after they become members, Spain and Portugal—may need to do more and for this reason the directive allows a grace period of two years after 1988 before it must be fully implemented.

Thorn says more cash required

BY OUR BRUSSELS CORRESPONDENT

THE EUROPEAN Commission stepped into political hot water yesterday by announcing that member governments would have to make extra cash payments to the EEC budget this year to finance unavoidable agricultural expenditure.

The Commission's intention to ask for more money was revealed by its president, M Gaston Thorn, in a speech to the European Parliament. It immediately drew a very frosty response from British officials who stressed the need for measures to ensure that farm spending was kept within its Ecu 16.5bn (£9.4bn) budget.

M Thorn predicted yesterday that actual spending looks likely to be Ecu 1.5bn-Ecu 2bn higher even without any additional costs incurred by the negotiations, which resume in Brussels tomorrow, on reform of the agricultural policy.

The Commission has arrived at the conclusion that the Ecu 900m savings it was seeking from these negotiations are unlikely to materialise. M Thorn said the Commission was not prepared to rob other policies of money for agriculture and that member states would have the responsibility of balancing the 1984 budget by "further payments."

His declaration that the Commission has the matter in hand may well have been an attempt to forestall any discussion, and possible serious division, on the issue at next week's summit. A global agreement by heads of government on the outstanding agricultural and budgetary issues might make it politically easier to tackle the 1984 financing crisis later.

Legally, the problem cannot be easily resolved. Member states are paying this year all of the money they are able to pay within the legal ceiling on the EEC's budget revenues. According to one view, hitherto supported by Britain, there is no legal basis upon which governments can pass more money to Brussels, even if they wished to.

EEC rules require the Community to balance its budget, but the trend in farm spending, which resumed its steeply upward path two years ago, and the ceiling on budget revenues now appears to render this impossible.

VAT collection plan in jeopardy

BY PAUL CHEESERIGHT IN BRUSSELS

THE European Commision will make a last ditch effort over the next six months to save its proposal for harmonising VAT payments on imported goods at the point of destination and not at the frontier.

VAT collection on goods at the frontier is widely seen as an obstacle to the free flow of goods within the EEC and the achievement of a true common market. The system was one of the causes of frustration which led last month to lorry blockades in France.

The aim of the Commission is to avoid the introduction next October in Britain of the Continental system of collecting VAT at the frontier. Mr Nigel Lawson, the UK Chancellor of the Exchequer, in his Budget, announced that the UK would stop VAT collection at destination and adopt the Continental system.

But he said that if the Commission's proposal was accepted the UK would change back.

It is believed in Brussels that once Britain has changed, the VAT proposal is dead. Only the Benelux countries use the same system as Britain and that for intra-Benelux trade.

The Commission has so far been unsuccessful in efforts to break down French, Italian, Danish and Greek opposition that is seen as based on fear of a once-off loss in revenue and, more importantly, on the entrenched reluctance of customs services to see their activity reduced.

But since trade ministers discussed the internal market on March 8, the Commission has detected some relaxation of West German opposition. At that meeting the UK made no comment on the Commission proposal which hitherto it had supported.

The Commission's chargin about Mr Lawson's move is shared by countries such as the Netherlands which have consistently advocated liberalisation of both the internal market and the transport system.

Sharp fall forecast in budget deficit

By Jonathan Carr in Frankfurt

WEST GERMANY'S public sector budget deficit is likely to fall sharply again this year to about 2 per cent of gross national product, markedly lower than in most other Industrialised states.

The forecast issued yesterday by Deutsche Bank, the country's biggest commercial bank, implies further relief for the capital market and a better chance of lower interest rates.

Budget deficits throughout the industrialised world are expected to fall, on average, for the first time in five years, it says. However, the average level is still likely to be about 3.5 per cent of GNP, after 4.3 per cent in 1983, with West Germany, Britain and Japan among the best performers.

Deutsche Bank commented that public sector deficits in West Germany had been cut last year by more than even the optimists had expected, and that only Japan had made progress of a similar order.

The deficits of the federal government, the provincial states and the municipalities together had dropped to DM 55bn (£14.5bn) or around 3 per cent of GNP—compared with the record DM 80bn (£21.1bn) of 1981. This year the figure should be well below DM 50bn.

All public sector authorities had contributed to the improvement—with the municipalities almost wiping out their deficit altogether.

As a result the state quota (public sector expenditure including social security as a proportion of GNP) dropped by one percentage point to 49 per cent—the first cut since 1977.

Bonn bid to push ahead in high-technology field

BY RUPERT CORNWELL IN BONN

THE WEST GERMAN Government yesterday launched its eagerly-awaited DM 3bn (£769m) plan to beat back U.S. and Japanese competition and bring the country to the forefront of high-technology industries.

At the same time, Herr Heinz Riesenhuber, the Bonn Technology Minister announced that he would be organising a high-level international conference at the end of 1984, to examine the wider implications of changing technologies.

The Government programme, which fulfills a promise made by the Centre-Right coalition of Chancellor Helmut Kohl last May, comprises DM 2.96bn of budgetary funds between this year and 1988.

The money will be directed above all to the micro-electronics, communications and computer industries — with the aim of seeing benefits in the market-place as speedily as possible.

The plan aims to boost high technology in West Germany across the entire social spectrum: from risk-taking and training for technologies of the future, to concentration on defence and communications applications, and the earmarking of specific sums for various sectors.

Among these, DM 260m will go to furthering expansion of integrated digital networks.

In a separte development, the Postal Ministry announced this week the award of contracts worth DM 130m to Siemens and Standard Electric Lorenz for the widening of digital technology to local, as well as trunk networks.

Some DM 320m is being allocated to a special programme for micro-computer peripherals, D M600m for work on advanced computer systems, DM 160m on computer-aided design technology, and DM 530m on software and robotics.

West German officials expect the country's electronics industry to spend at least twice as much again on the development of the programmes backed by the Government—meaning total new outlays of DM 9bn or more.

German industry reckons that the information and communications sector will show annual growth of between 7 and 8 per cent this decade, more than twice as great as any major "traditional" sector.

But the fear that the country risks being decisively outpaced by the U.S. and Japan, is clear from figures attached to the 90-page report approval by the Cabinet yesterday.

These show that German production of integrated circuits covered only 60 per cent of the national market, against 113 per cent in the case of the U.S., and 123 per cent for Japan.

By the end of 1982, West German industry used under 4,000 robots, less than a third of the Japanese figure and half that of the U.S., according to the report.

Railways aim to reduce losses

BY JOHN DAVIES IN FRANKFURT

THE BUNDESBAHN, the West German rail system, is hoping to keep a tight rein on its deficit this year, after reducing it by the unexpectedly large sum of nearly DM 400m (£106m) to DM 3.75bn last year.

At the same time, the Bundesbahn is boosting investment by 18 per cent to DM 5.13bn, including large sums for new tracks more suitable for faster trains.

The railways avoided adding to its DM 35.6bn debt mountain last year, and although it is budgeting for a DM 1.6bn debt increase this year, it is striving to reduce its credit needs.

The deficit, now below the psychologicaly awesome level of DM 4bn, does not reflect the full extent of the Bundesbahn's financial problems, as it occurs after various government payments of well over DM 13bn, a figure the Bonn authorities are reluctant to increase.

Dr Reiner Gohlke, the railways chairman, said yesterday that he hoped to keep this year's deficit down at least to last year's level, even though the Bundesbahn's financial position was still strained.

The Bundesbahn is introducing new travel concessions to try to attract more passengers and is bringing in new freight services.

Dr Gohlke said that the Bundesbahn was also giving high priority to investment, with plans to spend DM 40bn by 1990. This would include the cost of new tracks and trains for faster transport, railway station improvements and rationalisation measures.

But he said that services which were no longer economic must be phased out.

Dr Gohlke said the Bundesbahn cut its workforce by 11,500 to just over 300,000 last year and reduced its personnel costs for the first time in more than 20 years.

Something to crow about, Page 13

OVERSEAS NEWS

Opposition challenge to Zia's poll proposals

By Mohamed Aftab in Islamabad

AIR MARSHAL Asghar Khan, the detained Pakistani opposition leader, yesterday challenged President Zia ul-Haq over his competence to discard the widely favoured Western-style system of elections and government and introduce something wholly new and undefined.

Asghar Khan issued the challenge through one of his party officials, Pervez Hassan, from Abbottabad, 70 miles north of Islamabad. This is the first major opposition response to Zia's weekend speech in Peshawar, in which he dashed all hopes for a reconciliation with the political parties, all of which have remained banned under martial law since October 1979.

Asghar Khan, who heads the centrist Tehrike Istiklal (Movement for Solidarity Party), built up the country's air force as its commander-in-chief and is considered the country's most influential opposition leader.

He said that future elections "must ensure the transfer of power to the elected representatives of the people, failing which the situation will go out of control. The present regime should quit after the polls." The elections would be "a farce" if these were not held under the 1973 Constitution and the political parties were not allowed to play a role.

He and other opposition leaders, including the 10-party alliance called Movement for Restoration of Democracy (MRD), oppose the President's plan to make wholesale amendments in the unanimously adopted 1973 Constitution. Gen Zia's move aims at providing more powers for the President, a post which he is likely to retain for himself.

Gen Zia has pledged to hold elections for the National Assembly and the Legislative Assemblies of the four provinces of Punjab, Sind, Baluchistan and North West Frontier by March 23, 1985. Power would also be transferred from the present martial law administration to an elected civilian government, he says.

President Zia and the politicians stand poles apart on all key issues. These range from the form of government, mode of elections, the role of parties, the status of the 1973 Constitution, the powers of a future President and Prime Minister, and a host of other vital matters.

The MRD protests launched on August 12 were to demand speedy elections, immediate transfer of power to a civilian, elected parliament, as well as withdrawal of the seven-year-old martial law, but they petered out after several weeks of considerable violence and thousands of arrests. Most detainees, however, have now been freed.

Political leaders and analysts had thought that the movement would force Gen Zia's pace towards the return of this nation of 88m people to democracy. Instead, Gen Zia has now hardened his stand, ignoring all opposition demands.

Another source of potential trouble is the Zia ban on all student unions, imposed in early February. A number of university and college campuses have witnessed violence since then, as students insisted on the revival of their unions and are being arrested or rusticated from the educational institutions.

In his weekend speech, Gen Zia said that there would be no role for the politicians and their parties in the proposed elections. Islaim, he maintained, did not permit the existence of "a ruling party" or an "opposition party."

"There is only one party, and that is Allah's Party," he said. "The election will free the people from the clutches of professional politicians, once and for all.

Beirut ceasefire as talks continue

BY ANTHONY McDERMOTT IN LAUSANNE AND NORA BOUSTANI IN BEIRUT

THE CEASEFIRE along Beirut's mid-city dividing line was generally holding yesterday as the Lebanese national reconciliation talks in Lausanne were adjourned to allow time for detailed study of proposals for longer term political reforms.

The people of Beirut had the rare experience yesterday of waking without the sound of gunfire. Only occasional short bursts of machine gun fire marred an otherwise calm day.

Following Tuesday's ceasefire agreement, the eight delegations in Lausanne have been holding intense private conversations with each other, with President Amin Gemayel, and with the key player on the stage Vice-President Abdel-Halim Khaddam of Syria.

Four written position papers, including one joint submission, have been presented, and the rest have given oral presentations to the conference.

Mr Wadi Haddad, President Gemayel's security adviser, said there have been ideas "from the far right to far left" and the private meetings were aimed at reconciling these views.

The Syrians are playing the most important role. They are standing by Mr Gemayel as President, but only in the context of a 28-point plan of concessions curtailing his position and that of the Christians together with new parliamentary arrangements.

The Syrian position has led to a collision with the impulsive Mr Walid Jumblatt, the Druze leader and head of the leftist Progressive Socialist Party, who hitherto thought his support from Damascus was immutable.

He has been described as the "enfant terrible" of the conference, attacking Mr Gemayel's regime as "fascist" and calling for his resignation and trial.

His ally, Mr Nabih Berri, the leader of the Shi'ite Amal movement, although broadly at one with Mr Gemayel on the need for an end to the Christian President's dominating powers and to the allocation of positions on a concessional basis, has come across as more moderate and open to reason.

In private, Mr Jumblatt is reported to have become more reasonable. This may well be due to the influence of Mr Khaddam.

Iraq seeks support of Arab League

By Kathleen Evans in Bahrain

Representatives of 19 Arab nations met in Baghdad yesterday for what Iraq hopes will be a major public affirmation of support for its war with Iran.

Iraq had called for a meeting of Foreign Ministers of the 21-nation Arab League to discuss the latest Iranian offensive and possible ways to end the Gulf war. However, only 11 countries were represented at ministerial level, and there were empty seats at the conference table for Syria and Libya, the two Arab States allied to Iran.

Although the conference will obstensibly centre on possible new attempts at mediation, most observers here believe that Iraq is seeking the opportunity for more public Arab backing.

The Iraqis say they want to see some positive demonstration of the Arab commitment, not merely rhetorical expressions of support.

There was speculation that Iraq is pressing its Arab colleagues to exert pressure on industrialised countries to cut back their trade with Iran.

Iraq also wants the Arab states to cut diplomatic relations with Iran. Of the 21 Arab nations who are members of the League, 16 still retain diplomatic ties with Tehran.

Such a decision could only be taken by an Arab summit and would be particularly difficult for the Gulf states who wish to maintain lines of com-

Agencies add: Diplomats reported that Iran has massed a big army to strike at Iraq's second city, the southern port of Basra. They said more than 250,000 Iranian Revolutionary Guards and regular forces were poised to attack. Iraq was reported to be flying hundreds of sorties in an attempt to break up the troop concentrations.

Black states dismayed at Mozambique pact

BY MICHAEL HOLMAN

LEADERS OF the Black front-line states in southern Africa have privately voiced concern that the non-aggression pact due to be signed tomorrow by Mozambique and South Africa, according to reliable African diplomats here.

None of the front-line leaders, such as President Julius Nyerere of Tanzania, President Kenneth Kaunda of Zambia, and Mr Robert Mugabe of Zimbabwe, is expected to accept the invitation from Mozambique's President Samora Machel to attend the signing ceremony, they say.

Their polite but firm refusal is a reflection of unease at what they see as President Machel's overly enthusiastic embrace of the South African Government. Their concern has been privately expressed in spite of public expressions of support for the agreement, including one by Tanzania.

The agreement requires Mozambique to prevent the African National Congress of South Africa—the principal exiled nationalist movement—from using the country as the springboard for guerrilla activity in South Africa. In return, Pretoria is supposed to end its support for the Mozambique National Resistance (MNR), whose guerrillas have been waging an increasingly successful campaign against the Machel Government.

The front line Presidents appear to have two main misgivings. The first is Mozambique's handling of the negotiations, leaving the impression that the pact is a balanced quid pro quo in the security field.

However, Mozambique support for ANC guerrilla activity has been limited, according to both ANC officials and western diplomats in Maputo itself. In contrast, western diplomats say MNR operations—now reaching to within a few miles of the capital—have had substantial financial and logistical backing from Pretoria.

In addition, Key ANC officials have, at South Africa's instigation, been ordered to leave Mozambique. No such action appears to have been taken against MNR officials in the Republic.

The second area of concern is economic. The pact includes renewed economic links—trade, transport, tourism, and hydro-electric power. However, the nine-member Southern African Development Co-ordination Conference (SADCC), which was launched in 1980, aims to reduce trade and transport links with South Africa.

Mozambique has been its most enthusiastic participant — and is potentially the major beneficiary.

Tunis raises taxes to pay for subsidies

BY FRANCIS GHILÈS

THE TUNISIAN Government plans to introduce a number of revenue-raising measures in its new 1984 draft budget submitted to the National Assembly in Tunis.

The measures include rises in the price of cigarettes and petrol — which have already been put into effect—higher taxes on alcohol and a departure tax on residents travelling abroad.

This will earn an estimated Dinars 30m (£29.56m) while investments will be cut back by Dinars 10m. The extra income will help meet the deficit of the Caisse de Compensation, the Government body which is responsible for distributing subsidies on basic foodstuffs.

It was the Government's decision to cancel such subsidies, thus doubling the price of bread which led, two months ago to the worst rioting in Tunisia since independence 28 years ago.

● M Driss Guiga, who was dismissed from his post of Minister of the Interior following January's riots during which at least 100 people were killed is to be tried *in absentia* for high treason.

Doctors strike in Australia

AN estimated 200 Australian hospital doctors went on strike yesterday in protest against a controversial contract in the Labour Government's national health scheme launched with much fanfare last month, *writes our foreign staff.*

Yesterday was the deadline for specialists to sign a contract which gives the Government sole power to determine guidelines for doctor's public hospital contracts.

Hong Kong backs public debate

BY ROBERT COTTRELL IN HONG KONG

HONG KONG'S Legislative Council yesterday voted unanimously in favour of a motion deeming it "essential that any proposals for the future of Hong Kong should be debated in this Council before any final agreement is reached."

The motion was proposed by Mr Roger Lobo, a non-governmental, or "unofficial," member of the Council. Sir Philip Haddon-Cave, Hong Kong's Chief Secretary, replied on behalf of the Council's "official"—governmental—members.

Sir Philip said that the motion did not seek to breach confidentiality of negotiations now taking place between Britain and China about Hong Kong's future, nor did it try to pre-empt their outcome. On that basis, he said, there should be no "quarrel" with Mr Lobo's proposal. Sir Philip said that the British Parliament would consider Hong Kong's views before endorsing any agreement with China, and that in this context the Legislative Council would act as an important forum of opinion.

In the course of the debate, several unofficial members argued that Britain and China should relax now the confidentiality which has surrounded the negotiations since they began 18 months ago. They said that it was generally accepted that China would resume sovereignty over Hong Kong when Britain's lease expires in 1997, and that if Hong Kong people were better informed about the talks, they would be less vulnerable to rumour-mongering, and more able to offer constructive opinions about future administrative arrangements.

Mr Alex Wu, an unofficial member, commenting on the Sino-British handling of the Hong Kong issue, said that the territory "cannot relish the prospect of an arranged marriage." Mr T. S. Lo, another unofficial member, said that one purpose of the motion was to ensure adequate opportunity for Hong Kong to debate any Sino - British agreement "before it is set in concrete."

Mr Bill Brown, an unofficial Council member, who is also Hong Kong area manager of the Chartered Bank, said that foreign investors still have confidence in Hong Kong, but that such confidence cannot be sustained indefinitely by vague verbal assurances.

Some unofficial members have said privately that they would prefer Britain and China to make public any proposals for Hong Kong prior to the initialling of an agreement between negotiators in Peking. They expect, however, that an agreement will only be made public after its initialling, in preparation for parliamentary debate and ratification.

Bob King visits a Nationalist enclave in Hong Kong

Dreaming of old China

RENNIE'S MILL, carved out of a hillside above Junk Bay and only a short ferry ride from Hong Kong proper, looks like many other villages round the colony: its narrow alleyways are hemmed in by rows of open-front shops with fresh produce and seafood laid out, and thronged with schoolchildren in uniform.

But Rennie's Mill differs from other villages in one important detail. It is one of the last enclaves of the fiercely anti-communist Nationalist Party of China, the Kuomintang, which now rules only in Taiwan.

The Nationalist flag flies everywhere in the village except on Government buildings. In one high school, portraits of Sun Yat-Sen, the founder of the Chinese republic, and Chiang Ching-Kuo, Taiwan's current president, gaze benevolently down on students. High on a mountainside overlooking the village, Nationalist partisans have carved huge Chinese characters wishing "long life to President Chiang."

The village, named after an Englishman who set up a flour mill there in the 19th century and who later hanged himself on the premises when business turned sour, was only a barren hillside when the first Nationalist refugees started streaming out of China in the wake of the Communist victory in 1949.

Confrontations between Communist supporters and the refugees prompted the authorities to ship the Nationalists to this remote spot on the border between Kowloon and the New Territories in 1950. At first they set up on Hong Kong island. The efforts of various international relief organisations plus the Nationalists' own muscle have resulted in a township which at one time held 30,000 people.

Sun Yat-sen, founder of the republic and idol of the refugees from Communism.

The village is still known primarily for its ideology. Village fathers continue to propound a brand of no-holds-barred anti-Communism that many, even in Taiwan, would find out of date.

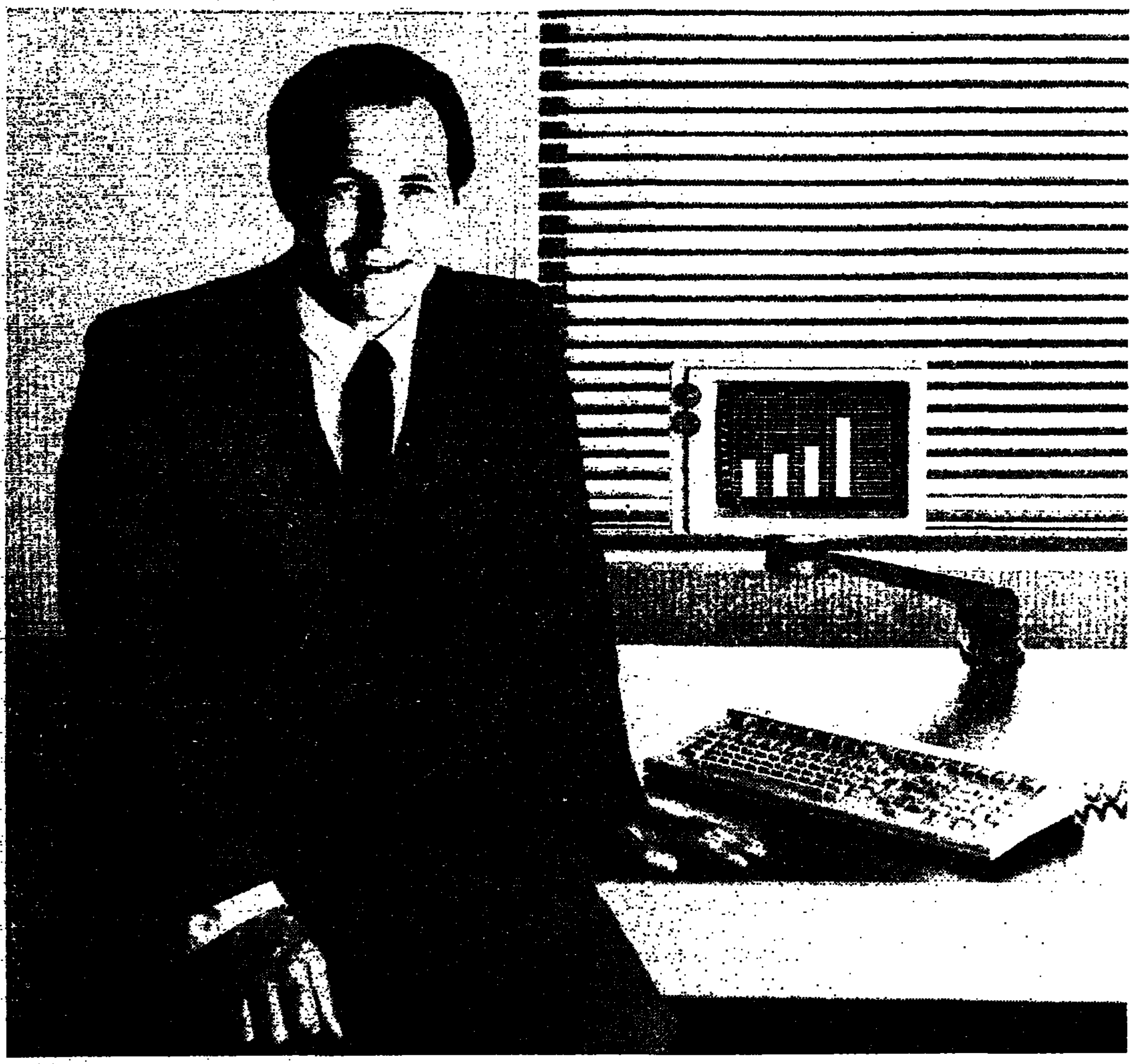
True believers in Rennie's Mill respond to speculation on Hong Kong's future with diatribes about the evil nature and ultimate collapse of the Communist system. They produce schoolboys who they say grew up in China and who insist that the UK should be dealing with Taipei, rather than Peking, over the future of Hong Kong.

But while Rennie's Mill remains ideologically in 1949, it must also deal with the present. If the UK should cede sovereignty over Hong Kong to China, the village's 10,000 residents will live theoretically under Peking's rule—a situation many would find intolerable.

If, in the worst case, China should directly intervene in Hong Kong's affairs, the Nationalists in Rennie's Mill might have to flee once again. "If I don't die (before 1997), I'll leave," a former military officer says defiantly. "But the Communists will fall before then."

It is unclear how many share his sentiments. Most residents of the village, which lacks even light industry, commute daily to the city where they rub shoulders with cosmopolitan Chinese who think more of dollars than of dogma.

The best hope for Hong Kong —and for the village—is a voice for its residents in determining the future, says Henry Wong, a local teacher. For while these villagers, like many other Hong Kong Chinese, do not relish the thought of living in a Communist state, neither are they enthusiastic over the idea of moving to Taiwan.



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Profits have shot up, but so has unemployment. **Terry Dodsworth** describes the dilemma of the UAW

U.S. car union searches for firm bargaining ground

IT IS NOT easy to breathe life into the enormous caverns of Cobo Hall in shabby downtown Detroit, but from time to time last week, 2,500 delegates from the U.S. Auto Workers' Union managed to do just that.

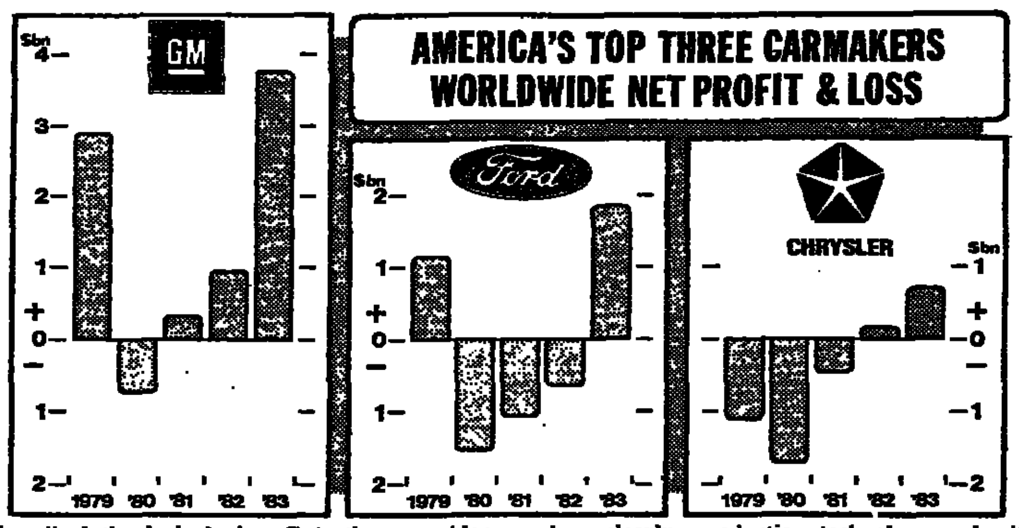
They rallied to their new president, Mr Owen Bieber, as he swung into a ritualistic assault on the bosses; they bedecked the hall with anti-Reagan slogans (give Ronnie the Gong, his script is all wrong), and staged a boisterous demonstration in the bitter cold of a Michigan winter. Before every day's debate they rose solemnly for a stirring rendering of the American and Canadian national anthems, giving a passable impression of an enthusiastic Saturday football crowd out for a day's fun.

No amount of rousing traditional razzmatazz could conceal the sense of unease which pervades the union, however, as it moves into the long countdown to the industry's three-yearly negotiating tussle.

The leadership knows, and many of the rank and file workers probably suspect, that things have changed forever from the heady days when the car companies seemed blessed with perpetual growth. The juggernaut came shuddering to a halt in the Reagan recession, and although it is now picking up speed again, it is carrying a lot fewer passengers.

It is this abnormal and unprecedented shrinkage of the industry which provided the leitmotiv of the three days' debates. The four-year manufacturing slump has decimated the union's ranks twice over. Membership is down from 1.5m to 1.1m, and even in the hard core of vehicle manufacturers some 200,000 jobs which existed three years ago are still missing. To add insult to injury, a leaked General Motors' document revealed last month that another 80,000 jobs could be trimmed in that company alone in the drive to higher productivity.

"Stupid" is how Mr Bieber described the leaked plan. But however unwise the timing of the disclosure might be, he also knows that its content is a dire warning of the trends in the industry—and of the pressures on the union.



He is caught, in fact, in a kind of Catch 22 situation. On the one hand, the rank and file workers are demanding old-style wage increases now that the recession and the crisis in the industry are over. On the other, they are also insisting on increased job security.

Yet what the companies will point out is that the union can hardly expect to achieve both at the same time and the more the wages issue is pressed, the more management will be tempted to substitute men with machines.

Mr Bieber, an experienced bureaucrat who has emerged from the union back office with mounds of know-how, if little charisma, is too canny a negotiator not to know that he has a difficult hand to play. But he also holds one ace in the shape of the mammoth $6bn profits the industry earned last year.

In his first crucial year in the presidency, he clearly intends to play this for all it is worth. "The corporations are making money, and the workers demand their fair share," he thundered in the language union conferences love to hear.

At the same time, however, he has kept his options open, insisting that the union should not allow itself to be frozen into a set of specific bargaining demands. The implication of this strategy is that he believes that management will give, but not too much, and that the union needs to find a balance between pay and job security which cannot be easily sloganised.

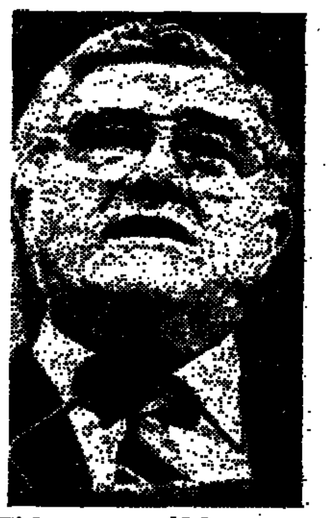
Indeed, management itself seems much more confident that it is in the driving seat than for any time over the past 30 years. The GM document, for example, suggested the replacement of traditional wage structures by profit sharing, while trimming the workforce and resorting to more overseas sourcing.

Such initiatives would have been unthinkable a few years ago but the high levels of unemployment and the rapid strides that have been made in production technology make it much easier now to play off plant against plant and worker against worker.

The tactic of asking a plant for concessions and then threatening to close it or transfer work elsewhere if these are not forthcoming has been used quite frequently in the U.S. in recent years with some success.

"With the shortgage of jobs in the U.S. today, management can put a lot of pressure on us," says Mr Donald Ephlin, the negotiator at GM, which will probably be the main target if there is any industrial action this year. "The negotiations are going to be very, very difficult."

Mr Ephlin's caution mirrors a view which clearly pervades the present union high command. The reality of the UAW's reduced bargaining strength was driven home in 1982, when the last three-year contract was rolled over for another two, pay frozen, nine one-day paid holidays abandoned, and automatic cost-of-living increases temporarily suspended. The comfortably-paid union hierarchy failed to deliver on that occasion. This time round, it is anxious not to be committed to any programme on which it might also fail to produce the goods.



Bieber . . . could be on the verge of his most important contribution to labour movement

Some militants had gone to Detroit to try to achieve just such a commitment. One group was demanding an increase in pensions from $935 a month to $1,500. Another, the "restore and more" faction, was demanding full restitution of the accumulated $6,000 workers have lost from the 1982 deal, as well as an improved new agreement.

oBth groups were easily outmanoeuvered by the union standing orders committee and the lack of real militancy on the conference floor. As a result, what brave new initiatives there are in this bargaining round will not involve pay.

Indeed, on wages proper, Mr Bieber has given virtually no hostages to fortune. There was some hot rhetoric about maintaining the new profit sharing benefits, and about retaining cost of living adjustments (already restored after the 1982 suspension), but figures on the basic wage demands were conspicuously absent.

On non-pay issues, however, the union executive will be combative and radical. First, it is proposing to fight off an attempt by the employers to load some of the increasingly onerous medical insurance payments onto the workforce.

Secondly, it is attempting to educate the membership about the fact that greater job security will also demand greater solidarity among the workforce, with those in jobs sacrificing overtime for those without.

According to Mr Bieber, the number of overtime hours worked in the car plants last year would have provided employment to an average of 95,000 workers. Calling for "drastic" change and for shorter working hours, he said that it was "patently irresponsible for management to abuse overtime" when so many workers were without jobs—a criticism which he was also aiming at his own membership. UAW workers have been notably eager to grab the extra pay frmo overtime over the last 12 months without bothering too much about the 200,000 or so laid off.

If Mr Bieber is tough enough to follow this initiative through, forcing the management to concede more jobs by bringing down actual working hours and persuading the workforce to acquiesce, it could be the most important contribution he makes to the U.S. labour movement.

The prospects are daunting. For perhaps the first time since in 30 years, management is going into the talks with a better hand than the union and it requires only a quite plausible hiccup in demand to cause the union's leverage to disappear.

For the moment, however, Mr Bieber seems determined to go down this road. Overtime is a practice "we should tackle head on this year," he said.

Nicaragua seeks arms aid 'for defence'

BY TIM COONE IN MANAGUA

THE NICARAGUAN Government has made an appeal "to all governments of the world" for the technological and military means to defend itself against a possible foreign intervention, Sr Daniel Ortega, head of the Government junta, said on Tuesday.

He was speaking to members of the diplomatic corps in Managua. He said that the recent troop movements by the United States to Honduras and the decision to send U.S. warships again to Central America signified that the United States was moving closer to a direct military intervention in the region.

Some 2,500 U.S. troops are due to arrive shortly in Honduras from Panama, to take part in what had been termed "emergency manoeuvres" with the Honduran army close to the El Salvador frontier.

The aim appears to be to tie down Leftwing FMLN guerrillas during the presidential elections in El Salvador on March 25. The U.S. is also to send a naval task force, headed by the aircraft carrier "America," to Central America this week to patrol the Caribbean coasts of Nicaragua and Honduras.

Sr Ortega described the moves as a "threatening display of force coming just five months after the intervention in Grenada, using the same forces there that they are now sending to Central America."

He said that the recent escalation of air and sea attacks against the country and the mining of Nicaragua ports was the start of an attempt to blockade the country and that the Nicaraguan people must be ready to defend themselves against a possible intervention.

He made a further appeal to the UN and all nations of the world to demand an immediate U.S. troop withdrawal from the region and for the U.S. to start looking for political rather than military solutions to the problems in the region.

U.S. pulp, paper output expected to rise by 6%

BY ANDREW FISHER IN LONDON

U.S. OUTPUT of pulp, paper and paperboard will show a rise of 6 per cent this year, if current production rates continue, Mr. Louis F. Laun, president of the American Paper Institute has said but surging demand has also led to a sharp rise in imports.

In the early weeks of 1984, production maintained the rapid pace set in the last four months of 1983, he told the API's national convention was putting pressure on capital spending, with $6.9bn likely to be spent this year on new plants and equipment by companies in the industry, according to Department of Commerce estimates. This would compare with less than $6bn in 1982, which was well down on the $6.7bn of 1981. This year's expected figure would be roughly the same as the previous record sum invested in 1989.

Mr Laun said these figures did not include outlays for pulp and paper capacity from companies outside the paper industry. In the U.S. about 20 per cent of the total capacity is owned by such companies.

Many paper companies also have major interests in other sectors, and some expenditure might go on these areas. Allowing for both factors, the API reckoned some $8bn a year was being spent at paper and paper product mills.

The upsurge of activity in the industry led to a 19 per cent rise in last year's fourth-quarter sales on the level of the previous year, the API said. This raised the 1983 total for the 32 companies on which the calculation was based by 12.7 per cent from the 1982 figure.

U.S. stock levels drop to record January low

BY STEWART FLEMING IN WASHINGTON

STOCK LEVELS in the retail, wholesale and manufacturing sectors of the U.S. economy hit another record low in January, the Commerce Department reported yesterday.

The Department said that the inventory-to-sales ratio which measures the volume of stocks in relation to sales rates sank to 1.30 in January from the previous record low of 1.31 in December and 1.47 in January 1983. Economists have been watching stock levels closely in recent months, with some suggesting that efforts to rebuild stocks could give the economy an extra boost in the first quarter of the year.

The first quarter is broadly expected to be stronger than was expected when the year opened.

Last week, Dr Martin Feldstein, chairman of the Council of Economic Advisers, suggested that first-quarter real gross national product could rise at an annual rate of more than 6 per cent.

John De Lorean (right) holds a Press conference with his attorney outside the Los Angeles court after pleading not guilty to drugs charges.

De Lorean lawyers take their time over jury selection

BY LOUISE KEHOE IN LOS ANGELES

"I WILL be acquitted. When the evidence comes out it will be clear that this was a pure frame-up, a typical FBI cheap shot," claimed John De Lorean on the opening day of court proceedings in his trial on drug trafficking charges.

De Lorean pleaded not guilty to nine charges in connection with an alleged scheme to purchase $24m worth of cocaine and to use the profits from its resale to shore up his failing De Lorean Motor Company in Northern Ireland.

According to his counsel, Mr De Lorean is optimistic and eager to get the case over. But he could face several weeks, if not months, of court appearances, the lawyers predict. Even before any evidence is presented in the case, they expect to spend at least three weeks selecting a jury.

The usually routine procedure of choosing 12 individuals, who have no predisposition towards or against the defendant, is proving extraordinarily complex in the De Lorean case.

At issue is the enormous publicity that the case has attracted since Mr. De Lorean's arrest 17 months ago. His lawyers feel that his chances of a fair trial are very slim, but their applications to have the case dismissed have not been accepted by the Judge.

Mr De Lorean's counsel claims that the nationwide broadcast last October of videotapes showing the arrest by FBI undercover officers will make it very difficult to find unprejudiced jurors.

"John is innocent and if he gets a fair trial he will be acquitted. I remain hopeful, but not very optimistic that justice will work in this case," said Mr. Harold Weitzman, Mr De Lorean's chief counsel.

In the FBI videotape, Mr De Lorean is seen seated with a suitcase open on a coffee-table in front of him. The case, it is alleged, contains cocaine.

"This is as good as gold," Mr De Lorean is heard to say. As he raises a glass to toast, FBI officers burst into the room, place him under arrest and handcuff him behind his back. A large television screen stands ready in the Los Angeles court room for jurors to view the videotype evidence that will make up 90 per cent of the prosecution case.

To determine the eligibility of prospective jurors, Mr De Lorean's lawyers plan to interview each one exhaustively. Eleven people were presented on Tuesday, and each was asked repeatedly about his opinions and knowledge of Mr. De Lorean, his company, the videotape of his arrest, Mr De Lorean's financial status and a host of related questions for up to an hour in some cases.

Last week, all 177 of the possible jurors were required to complete a form with 100 questions designed to weed out those who were clearly prejudiced by pre-trial publicity. According to Mr Weitzman, however, the defence and prosecuting attorneys failed to agree upon the elimination of every person interviewed.

"Have you considered that if you sit on this jury you might be asked to write a book about the trial?" asked Mr Weitzman of one candidate, trying to uncover any desire to become involved in the publicity that is expected to surround the case.

"Do you know how much a De Lorean car costs?" he asked another prospective juror. "Do you think that well-off people have a better chance of acquittal?"

The first candidate, who had seen the De Lorean tape on television, was challenged as an unfit juror by the defence team. So was the next, who claimed to know very little of the events since the arrest.

After Mr. De Lorean's lawyers challenged a third prospective juror, Judge Robert M. Takasugi instructed them not to reveal the outcome of their challenges. Of the 11 people interviewed on Tuesday, five are believed to have been ruled out.

Throughout the proceedings, Mr De Lorean appeared relaxed, smiling and joking with reporters during recesses. The pressures of what he describes as the "nerve-racking, awesome experience" of being arrested and charged have no apparent ill-effects upon the youthful looking 59-year-old.

Asked if he would challenge every jury candidate, Mr Weitzman claimed that this was not his plan. None the less, he said that if a 12-person jury was not found among the 177 candidates he would, once more, file for dismissal of the case.

For his part, Mr De Lorean said that if he could choose the jurors they would all be intimately aware of the FBI's activities in cases such as that of Dr Martin Luther King. Ironically, Mr De Lorean, his wife and lawyers have themselves all contributed greatly to the pre-trial publicity.

The fashion model Cristina Ferrare wrote a "diary" of the events surrounding her husband's arrest for a popular U.S. magazine. Mr De Lorean granted an extensive interview to Rolling Stone magazine in which he protested his innocence by describing exactly how, he claims, he was entrapped by FBI undercover agents. The claim of entrapment is expected to form the basis of his defence.

On Tuesday, during a break from the courtroom Mr De Lorean and his counsel volunteered to pose for television cameras and answer questions outside the courthouse.

"I'm a Christian man, very close to his family. They are trying to take me away from my kids," Mr De Lorean said. "Never in my life did I believe that in this country I could be brought into a situation like this. I think that when you hear all the evidence, it is so overwhelming that it could make up for everything."

For the De Loreans, however, the event was not entirely successful. An estimated 50 journalists scrambled to hear their words, far fewer than previously expected.

Tussle over Mexico's 'untouchable' tortilla

BY DAVID GARDNER IN MEXICO CITY

THE EMOTIVE issue of the tortilla—the heavily subsidised staple food of Mexico's poor—is at the centre of a political storm after a wave of wildcat price increases by producers last weekend.

On Saturday, mill owners and tortilla shops suddenly raised the price of this corn-based bread substitute from the officially controlled rate of pesos 15.50 (just over 6p) a kilo to a range of pesos 22-30 per kilo. The Government responded by closing down 1,453 *tortillerias* on the first day of the rises, and took the steam out of a threatened national strike by the country's estimated 40,000 *tortilleros* on Monday by wheeling out an arsenal of sanctions ranging from the withdrawal of subsidised cornflour supplies and retail licences, to the threat of fines and imprisonment.

The *tortilleros* have not given in, however, with a go-slow and a wide range of prices across the country. Meanwhile, the first demonstration has been called by the trade unions and the Left, amid calls for the state to either take over the tortilla industry or hand the concession to the unions.

The tortilla subsidy is one of the most sensitive issues in Mexican politics. Furthermore, in recent years fluctuations in its price have provided important signals about the direction of the country, heavy increases in the price of tortilla preceded two of the three major devaluations of 1982, the year of Mexico's financial collapse. Then last month, the Government came out with a plan to put the tortilla, in effect, on a similar basis to the peso with a two-tier exchange rate.

Despite the commitment of the Government of President Miguel de la Madrid gradually to lift subsidies and price controls, currently affecting about 300 basic goods and services, the tortilla subsidy—along with massively subsidised public transport—had so far been untouchable.

The country has only recently shown the first signs of emerging from its fiercest recession since the 1930s; those Mexicans with permanent jobs, not much more than half the workforce, have taken a 30 per cent cut in real wages over the last two years.

The Government, in a new policy document on food production and distribution, says some 30m Mexicans are seriously under-nourished. It is, therefore, part of what political consensus exists here that cheap tortilla and metro fares of just less than a half penny (1 peso) a ride are social shock absorbers which it would be dangerous to tamper with.

But in recent months the private producers of officially regulated goods and services have begun champing at the state bit particularly as subsidies lifted in some sectors—fuel and transport in particular—have increased their costs.

First, milk producers began slaughtering their herds and selling meat instead, leading to milk shortages and a foreign exchange outflow, as new stock was imported from the U.S. Then last month meat suppliers unilaterally increased prices by up to 80 per cent, in order to pass on the rising costs of the dense network of middlemen who control distribution, which has now, in effect, been taken over by the state.

But the Government's options are limited by tight budgetary constraints. In the latest three instances of the unravelling of the price control system it appears to be reacting to, rather than directing development.

Last month it announced modifications to the tortilla subsidy which in 1983 cost pesos 75bn (about $500m at last year's exchange rate) and was this year heading for pesos 100bn.

The Government buys corn from growers at a guaranteed price of pesos 18,500 a tonne, and passes it onto millers and thence licenced tortilla producers, at pesos 6,500.

The proposal was to reduce the subsidy by more than half by introducing a "free" tortilla price of pesos 30-35 a kilo while protecting the poor with a controlled price, at the current official rate, available to holders of Government issued coupons.

The scheme would have given a new twist to Mexico's *de facto* two-tier economy, raising tortilla—or at least tortilla coupons — to the status of money

The Government chose the scheme over two alternatives: preferential prices in poor rural and metropolitan areas, or a direct takeover by the state of tortilla production.

How the scheme would work was not spelled out. Almost any mechanism for coupon distribution would inevitably increase the already formidable powers of patronage of the ruling Institutional Revolutionary Party (PRI), opening further doors to corruption

All the proposed scheme has achieved so far, it would seem, is to convince the tortilla industry that the time was ripe to press its grievances.

Rank Xerox in pact with French over 'thinking computers'

BY DAVID MARSH IN PARIS

RANK XEROX, the U.S. office automation company, has signed an agreement on collaboration over *specialised artificial intelligence* (AI) systems with Tecsi-Software, a computer service subsidiary of the French state-owned Compagnie Générale d'Electricité (CGE) conglomerate.

The agreement covers co-operation to explore the market for so-called "export systems" for use in banks, industry and administrative bodies in France.

CGE's West German computer software offshoot, Danet, is also holding talks with Rank Xerox about possible collaboration on the *German* market.

Both Tecsi-Software and Danet are owned by the GSI-Alcatel company which is part of CGE's telecommunication arm, CIT-Alcatel.

CGE is already spending a sizable amount of research cash on artificial intelligence, which is designed to produce computers which think like people, with their own "intellect" to solve complex financial and industrial problems without human intervention.

Such systems, in which the U.S. and Japan have a clear world lead, are of great potential importance in areas arnging from factory automation to business and financial administration.

As part of the accord, Rank *Xerox and Tecsi-Software* will be working together this year and next on setting up "pilot" artificial intelligence systems which could be used by big banking and industrial customers in France.

The CGE offshoot believes that it has first to make an effort to seek out potential applicaions and "educate" potential clients *before* the system can be spread on the French market.

Rank Xerox, which has signed a similar collaboraion accord in the UK with a company called *Artificial Inteligence Ltd* has already installed a small number of AI systems in France, including two for the Schlumberger oil service group.

The accord is the latest in *a series of efforts by French* nationalised electronics group to collaborate with the U.S. in areas of high technology where France has an industrial lag.

Last June, Framatome, the *nuclear reactor company* now 50 per cent owned by the French Atomic Energy Commission, signed an agreement to collaborate in AI with the Californian company Teknowledge, taking a 10 per cent stake in the company and creating a joint subsidiary based in Monaco.

Cairo £34m deal goes to Tarmac Overseas

By Charles Richards in Cairo

TARMAC OVERSEAS of the UK has received a E£41m (£34m) letter of intent for work on the Cairo wastewater scheme.

Contract Number Six is for *building a three-kilometre culvert* from Ameriya to the urban boundaries. The partner is Arab Contractors. The sterling component is £0.49m for management services under an Overseas Development Authority (ODA) grant.

This is the second letter of intent issued this month. On March 5, Lilley Construction of the UK received a letter of intent for Contract Four, worth £84m to excavate a four-kilometre tunnel from Abden to Suq El-Samak.

Financing for the E£750m-E£800m *project to rehabilitate* the sewers of Cairo on the east bank of the Nile is coming in part from a £50m ODA grant and a £100m commercial loan backed by the Exports Credit *Guarantee Department* and arranged by Samuel Montagu and Midland Bank International. Egypt is pressing Britain to double both the aid and the loan.

General Electric Company signed a letter of intent worth £11.8m in September for Contract Two. But bureaucratic problems have delayed the contract signing.

Alan Friedman describes how Italy's answer to Paris has attracted big business

Milan becomes Mecca for fashion world

FOR THE past week the city of Milan has been subjected to an invasion. Armies of glittering Scandinavian models and overdressed American department store magnates have marched up and down the Via Montenapoleone.

The normally ultra-cool Milanese have allowed their nerves to fray as the best restaurant tables have become nearly unobtainable. Hotels have been filled to capacity and the otherwise dull Milan fairground has become a Mecca for paparazzi and Milanese playboys on the prowl.

The invading forces—models, fashion connoisseurs and clothing buyers from around the world — are in town for the twice-yearly "Milano Collezioni", Italy's answer to Paris fashion.

The result, aside from a startling shortage of Bollinger and Moet et Chandon, is big business as the scores of leather skirts, mink jackets and chauffered Mercedes might suggest. designers—including Versace, Armani, Missoni and Krizia—are likely to receive orders worth close to $50m for their autumn and winter fashions.

Beyond the big names there are some 200 lesser lights in the "Mondo della moda," also cleaning up with orders for shoes, knitwear and accessories.

The week-long parade of *Italian fashion translates into* serious international trade when one considers that last year Italian clothing and knitwear exports totalled more than $4.5bn (£3bn).

This is larger than the equivalent exports from France, West Germany or the U.S. Milan, a fashion desert when Coco Chanel and Yves Saint-Laurent were conquering the world decades ago, is now taken seriously indeed.

The business is done in the company showrooms at the Milan fairground or back in the city. The fashion shows will provide buyers with an idea of what is available, often featuring some 150 outfits during the 45-minute presentation.

CLOTHING AND KNITWEAR EXPORTS ($bn)

	1980	1981	1982
Italy	4.8	4.6	4.6
France	2.1	1.9	1.8
W. Germany	3.4	2.9	2.8
UK	2.8	1.8	1.8
Japan	0.8	0.8	0.7
U.S.	1.7	1.8	1.4

Figures do not include textiles, shoes and accessories. They are for ready-to-wear products.

Source: Italian Apparel Association

Much of the glamour of the fashion world is lost when one considers that buyers attend at least a dozen of these shows in a week. *Negotiations are* finalised at lunches, dinners and in private meetings with the designers' sales managers.

The buyers will select an assortment of outfits to be stocked for the next season. The semi-annual shows do not always provide sufficient time for foreign retailers to order and stock the goods, and while *it is improving, the Italian* reputation for on-time deliveries is by no means perfect.

"Last year we sold L40bn ($25m) of clothes and licensed our name for a further L80bn of products," says Sig Aldo Pinto, the finance director of Krizia, one of the half dozen major designers in Milan.

Mr Marvin Traub, chairman of Bloomingdales of New York, paused outside a fashion show and said there was "no doubt about the fact that Italian fashion has become a major *influence on the U.S.*"

The vice-president of a major Californian chain of stores with $300m of annual turnover hesitated for about 15 seconds before calculating that she would spend "around $5m this week" placing orders for Italian clothes and accessories.

One U.S. fashion afficionado said it was now accepted wisdom that Italian fabrics are the best in the world. "Almost all the French designers and many Americans and Japanese use Italian fabrics. Their quality is simply unbeatable," he said.

The Californian big-spender explained that nowhere else could one find the Italian degree of detail and finishing.

Long-term future of V2000 video system still in doubt

BY WALTER ELLIS IN AMSTERDAM

THE long-term future of the V2000 video recorder system, developed by Philips and manufactured by the Dutch electronics group in association with Grundig of West Germany, is now more seriously in doubt than ever.

Grundig—which is heading towards a *de facto* takeover by Philips—has announced that it is ready to begin selling VHS-format video recorders in Europe, perhaps before the end of this year.

Philips and Grundig recently secured licensing rights from Japan to design and market their own VHS-style recorders.

An early statement to the effect that sales would initially be *transacted only outside* Europe was qualified by a refusal to exclude subsequent sales within Europe.

Philips, in fact, has not yet admitted that it is to begin European marketing of VHS machines. But an official said yesterday that this was under *consideration and was a real* possibility.

The two companies are to begin manufacturing their own-design VHS recorders this summer, Philips in Vienna and Grundig in Nuremburg.

Promotion of these recorders in Europe would be bound to hit hard at sales of the V2000, which, although technically highly regarded, is the major loser round the world to VHS.

Italy likely to sign order for Siberian gas

By James Buxton in Rome

A DELEGATION from Snam, the gas susbidiary of Eni, the *Italian state energy group*, next week starts talks in Moscow expected to lead to the signing of a contract under which Italy will take gas from the controversial Siberian pipeline.

The Italian Government recently authorised Eni to restart negotiations on the issue, thus ending the Government-ordered "pause for reflection" which followed Snam's signing in January 1982 of a "technical agreement" to take 8bn cubic metres of gas a year from the new pipeline.

The pause for reflection followed U.S. pressure on European countries not to sign contracts for Soviet gas in the wake of the imposition of martial law in Poland.

The Reagan Administration later eased its stance, but not before France and West Germany had already signed gas contracts. In 1982, Italy took 8.6bn cubic metres of Soviet gas under long-standing arrangements.

Although Italy has a big programme to increase its consumption of gas up to the end of this century, it will probably now require less gas from the *Soviet Union* than thought two years ago.

Negotiations are likely to concentrate on the amount of gas that Italy will now take and on the price that will be charged.

Press reports in Rome suggest that Italy will be seeking to buy only 4bn cubic metres of extra gas from the Soviet Union, thus halving the original amount contracted *for*.

But Rome is also expecting the Soviet Union to increase substantially its purchases *of other goods from Italy*, in order to reduce an imbalance in trade which in 1982 *meant that Soviet* exports to Italy, at L4,800bn (£2bn) were more than double the L2,042bn-worth of goods Italy sold to the Soviet Union.

Italian companies, including members of the Eni, have in the past few months signed important contracts with Soviet concerns.

A big contract under which Montedison would restructure *parts of the Soviet chemical* industry is believed to be close to being finalised.

Brazil to refine crude for Nigeria

RIO DE JANEIRO — Brazil has won an international tender to refine Nigerian oil this year, the state oil company, Petrobras, announced.

The $1.2bn (£857m) agreement calls for Brazil to import Nigerian crude and return gasoline, jet fuel and diesel oil to the *African nation*. Petrobras' spokesman, Sr Andre Luiz de Souza Lima, said.

Petrobras initially would refine 50,000 barrels a day, increasing the amount to 110,000 barrels daily after three months and returning to 50,000 barrels beginning in August.

The accord will allow Brazil to reduce its idle refining capacity and have a margin for profit, which Petrobras did not disclose.

With the new Nigerian refining contract, Petrobras will be exporting derivatives totalling 240,00 barrels a day, which still leaves Brazil with 110,000 barrels a day of idle refining capacity.

Petrobras official said the new refining contract *is* not linked with crude oil purchases which Petrobras already makes from Nigeria to supply a small part of Brazil's domestic needs.

AP-DJ

ECGD backs $17.5m for exports to Oman

THE EXPORT Credits Guarantee Department has guaranteed the funding and repayment of a $17.5m (£12.5m) loan which Lloyds Bank International has made available to the Directorate General of Finance of Oman, our Trade Staff writes.

The loan will be used to finance UK capital goods and services to be supplied under sub-contracts which have been awarded to Taylor Woodrow; Stelmo Limited; *specialist* steel mould and formwork engineers; and Robert Watson and Co, construction engineers.

These sub-contracts have been awarded by Taylor Woodrow-Towell Company (LLC) which is carrying out the construction of the national youth stadium and sports complex at Bausher Muscat.

Shippers seek tougher liner-conference curbs

BY ANDREW FISHER, SHIPPING CORRESPONDENT

EUROPEAN cargo shippers are pressing for tougher controls on liner conferences, which agree rates and schedules between member-lines, and for more competition in liner trades on world routes.

The British Shippers' Council said yesterday that "the frustrations of rate disparities together with recent *action by dominant* conferences in introducing swingeing rate increases has now incited aggressive reaction from shippers."

This strong statement comes two weeks after the General Council of British Shipping argued that freight rate rises in the liner trades were badly needed. It said revenues of lines in conferences had not kept up with inflation.

The shippers' council said it supported proposals by the European Shippers' Council, based in Holland, for an EEC maritime competition regulation.

This would be aimed at opening up liner trades to more competition, while keeping the conference *system on a self-regulating* basis without excessive government interference.

In recent years, non-conference outsider lines have been playing an increasing role in liner trades, now mostly containerised. Such lines usually charge lower rates than conferences, the largest of which is the Far East Freight Conference.

Since the start of 1984, conferences have been increasing rates. Shippers' councils round the world have objected strongly. Yesterday, the British Shippers' Council said shippers must be assured of their rights to distribute cargo between conference and non-conference need lines.

● The surplus of oil tanker tonnage may fall 10 per cent this year and be almost gone in 1985 on the basis of the past year's scrapping rate and world economic recovery, Eggar Forrester (Holdings), shipping brokers, forecast yesterday.

In dry cargo markets, the tonnage surplus should fall in 1984 to comprise 7 per cent of the world fleet, and fall further in 1985 *to 5 per cent* of the fleet, the company said.

UK NEWS

Court orders coal union to stop 'flying pickets'

BY JOHN LLOYD AND RAYMOND HUGHES

THE NATIONAL Coal Board (NCB) yesterday won High Court injunctions to stop the miners' union from organising "flying pickets" – militant workers who have been picketing collieries outside their own coalfield.

Mr Arthur Scargill, president of the National Union of Mineworkers (NUM), reacted strongly by saying that the use of legislation by the NCB "will always stiffen the resolve of our members." The NCB, he said, was "setting itself in conflict with the national union and all its constituent bodies."

The NCB applied for the injunctions on the third day of strikes by the NUM against pit closures and job losses. Flying pickets have been successful in bringing many mines to a standstill. Production was halted yesterday at 132 pits, with only 42 still working.

The High Court in London granted two injunctions ordering the Yorkshire area of the NUM to stop organising flying pickets and to withdraw instructions to its members to picket. Yorkshire miners have been the most militant during the dispute.

After the private court hearing before Mr Justice Nolan, Mr Norman Woodhouse, for the NCB, said the orders had been made under the 1980 and 1982 Employment Acts.

Mr Leon Brittan, the Home Secretary, warned in an interview that the police could disperse mass pickets if workers were being intimidated. "It's absolutely clear beyond doubt that anybody who wants to go to work has the right to do so, whether that involves crossing a picket line or not," he said.

Much now depends, in the course of the dispute, on the outcome of ballots in the right-led coalfields which have not yet opted for strikes. Ballots began in Staffordshire and Warwickshire in the Midlands yesterday. They will be held in the Lancashire and Nottinghamshire coalfields today and tomorrow.

The Government is maintaining its position of not intervening. But it is privately deeply concerned that votes for strike action in these areas could sharply escalate an industrial dispute already being seen as the most serious challenge to the Government since it came to power in 1979.

If, however, the ballots – especially in the big Nottinghamshire field – show a majority against a strike, the optimistic view of the Government is that the militant momentum will eventually be broken.

Trafalgar House given approval to bid for P&O

BY ANDREW FISHER AND RAY MAUGHAN

TRAFALGAR HOUSE yesterday received approval for its bid for Peninsular and Oriental Steam Navigation (P & O), 10 months after launching its takeover attempt.

But the construction, property and shipping group will first study the 98-page report of the Monopolies and Mergers Commission before deciding whether to renew the offer.

Trafalgar now has three weeks, under the Takeover Code, to decide whether to mount a new offer, although it is permitted to re-bid at any time after May 23 when the 12 month stand-off period required by the Code has elapsed.

But the company will not consider any further reaction, "nor the possibility of renewing our merger offer," until the report had been studied in detail, Mr Nigel Broackes, the Trafalgar chairman said last night.

Approval for the merger had been expected in the City of London. P & O's share price accordingly eased yesterday by 3p to 305p, while Trafalgar's fell by 7p to 231p – at which level its original bid of five Trafalgar units for four of P & O would be worth some £410m.

P & O made profits of £34m before tax in 1982 and the stock market is looking for £45m in 1983.

Trafalgar had estimated that it could improve P & O's profits by some £20m a year, nearly half of it on the cruise ships side, according to the commission's report. It said P & O had a poor management record.

The commission said a merger between the two companies "may not be expected to operate against the public interest." It saw no commercial or defence reasons for blocking the bid, or qualifying its go-ahead.

Mr Jeffrey Sterling, chairman of P & O, which has major construction and energy trading as well as shipping interests, said the sooner the question of a takeover was resolved, the better.

He described the commission's conclusion as "no great surprise." He declined to speculate on whether Tafalgar would come back with another bid. "I really have no idea. We work on the basis that Mr Broackes does until he doesn't."

Since Trafalgar's bid last May, then worth nearly £300m, the P&O share price has risen sharply. Mr Sterling became chairman in November and City of London reaction to his sharper management style has generally been favourable.

He has changed some of the top shipping management, switched merchant banks from Schroder Wagg to Morgan Grenfell, now acknowledged as one of the leading takeover experts, and taken a firm hold on P&O's finances.

Mr Broackes said he was pleased to receive the green light from the Monopolies Commission. "We are delighted to see from our preliminary examination of the report that the Commission seem to agree with what we said last summer."

The company told the commission that its main reasons for bidding were to expand its passenger shipping and house building activities. Trafalgar operates Cunard, which has both a cruising and container shipping fleet, while P&O is also heavily involved in the cruise business and has a $150m ship under construction in Finland.

P&O owns Bovis, the construction group, and is involved in oil and gas trading, which Trafalgar said would be an attractive addition in view of its own investment plans in the energy sector.

P&O said the Trafalgar bid, which it fought strongly and was determined to have referred to the Monopolies Commission last summer, was opportunistic and would damage British shipping, if it succeeded.

But the commission did not accept these arguments. It said there was no evidence that Trafalgar would not succeed in running the merged business, including the cross-Channel ferry operation of which it has no previous experience.

On the defence issue, the report contained a brief statement from the Department of Transport, saying that the merchant navy was still able to meet anticipated defence needs.

P & O argued to the commission that Trafalgar might transfer the P & O cruise ships to another flag – one Cunard ship is under the Bahamian flag – and these would not be so easily available for troop carrying. But the department said the Government saw no need to restrict such flagging-out or sale of UK-registered ships for defence reasons.

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Miners' defiance will put assets at risk

BY PHILIP BASSETT, LABOUR CORRESPONDENT

THE HIGH COURT injunction granted yesterday by the National Coal Board starts the Yorkshire miners – and possibly the National Union of Mineworkers – on the legal road towards sequestration of assets recently so painfully travelled by the National Graphical Association (NGA) print union.

Miners' leaders have, however, learned from the action taken against the NGA over the Stockport Messenger dispute at the end of last year.

At last week's meeting in Sheffield of the NUM executive committee, Mr Arthur Scargill, president, told his area leaders that the union nationally had taken legal advice on how best to protect their funds from the courts, and advised them to do the same.

Indeed, it was reliably suggested in the NUM yesterday that the Yorkshire area of the union had transferred out of the country at least some of its funds even before the area's executive issued its backing to the flying pickets, which in turn prompted the NCB to seek yesterday's injunction.

During the Messenger dispute, the NGA moved some of its money out to Ireland, and the courts had difficulty in tracing it.

If, as expected, Yorkshire miners' leaders refuse to comply with any court injunctions, tracing the Yorkshire money might be easier. Care of all funds and property of the Yorkshire area of the NUM is vested in five trustees of the union, and Rule 22a(ii) of the area's constitution states: "The Trustees shall retain the custody of all deeds, certificates or scrip representing the investments of the union funds in some bank, or other independent safe place or deposit."

The Yorkshire area of the NUM is surprisingly rich, given that it has only 59,491 active members, according to its last returns. But with "half" members, including retired miners and others, the area claims a total of 125,551 members.

Its total worth is now £7,886,846, according to its latest accounts – and of that some 35 per cent is in liquid form, as cash at hand, or in the bank. Cash in the bank at present stands at £1,783,795, according to the accounts, with among other funds, £100,000 in the area's industrial action fund.

Earnings rise still running at 7¾% a year

BY PHILIP STEPHENS

THE UNDERLYING growth in average earnings for British workers remained at an annual 7¾ per cent in January, setting back government hopes of lower pay rises.

The Department of Employment said yesterday that earnings have been rising at the present annual rate for the last six months, after dropping to 7½ per cent in the middle of 1983.

With inflation hovering around 5 per cent, people in work are thus increasing their real incomes by about 2¾ per cent.

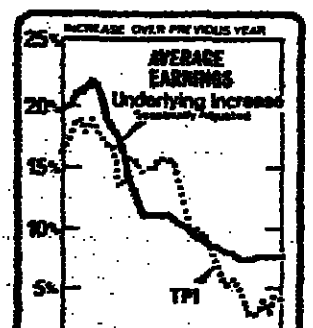
Rises in manufacturing are even higher, with the underlying earnings increase in the year to January at 9½ per cent, down fractionally from 9¾ per cent in December.

The Government can draw some comfort from the fact that between ½ and ¾ per cent of the earnings increases in the whole economy, and 1 per cent in manufacturing, came from increased overtime, reflecting the general upturn in economic activity.

Overtime hours worked in manufacturing totalled nearly 11m a week in January, up 1.5m from the same month in 1983. The number of hours lost through short-time working fell to 640,000 a week from 1.5m.

The earnings increases have also been accompanied by a strong rise in productivity, shared between increased production and lower employment.

Unit labour costs increased by an annual 3.3 per cent in the three months to January, slightly up on the 2.7 per cent recorded the previous month, but well below the 5.7 per cent rate of increase in the last quarter of 1982.



The Government is still concerned that wages should come down more into line with its inflation target of 4½ per cent of the end of this year and 4 per cent in 1985.

Mr Nigel Lawson, the Chancellor of the Exchequer, said in his budget speech on Tuesday that lower pay rises were needed to cut the unemployment totals and further improve Britain's competitiveness.

The latest data from the Confederation of British Industry released last month, showed the level of settlements in the present pay round creeping up to 5.8 per cent in the last quarter of 1983 from 5.6 per cent.

The Department of Employment said that the number of people in employment in manufacturing fell 16,000 in January to 5.45m. But new jobs created in the services sector, have more than outweighed those losses. The latest figures show total employment rising 25,000 in the third quarter of 1983.

TUC leaders split over boycott

BY BRIAN GROOM, LABOUR STAFF

TRADES UNION Congress (TUC) leaders were deeply split yesterday over how long to continue their boycott of the National Economic Development Council (NEDC) in protest at the Government's ban on unions at General Communications Headquarters at Cheltenham.

Senior figures of left and centre-right warned after a meeting of the TUC economic committee that the issue threatens to grow into a crisis over the authority of Mr Len Murray, TUC general secretary.

The committee divided 9-9 on a proposal from Mr Bill Keys, general secretary of Sogat '82, to extend the boycott to the NEDC's economic development committees and continue it until September, when a meeting of the annual TUC Congress would review it.

Mr David Basnett, committee chairman, voted for Mr Keys' motion but did not exercise his casting vote, which means the committee is making no recommendation to a special meeting of the general council on Monday night.

The left/centre-right coalition, which wants a continued boycott in defiance of Mr Murray's view, is hopeful of success on Monday, but the vote looks set to be extremely close and could depend on who is absent from the meeting.

Mr Murray asked the economic committee to accept a compromise proposal by which the TUC's six representatives who boycotted the March NEDC meeting would also refuse to attend the next one in April, as a further protest.

The TUC would then return to the NEDC to avoid the risk of the Government deciding to wind it up, though Mr Murray suggested that the TUC should withdraw permanently from all NEDC bodies if anyone at GCHQ is sacked for retaining union membership.

Mr Murray's proposal never came to a vote because Mr Keys' amendment was carried by 9–8. But when Mr Keys' proposal was put again as a substantive motion, the vote was 9–9.

The extra vote was that of Mr John Daly, general secretary of the National and Local Government Officers' Association (Nalgo), who abstained in the first vote. Nalgo's executive wants all links with ministers broken, and Mr Daly argued that Mr Keys' motion did not go far enough.

The move for a continued boycott gained such strong support because the left was joined by Mr Basnett, Mr Alan Tuffin of the postal workers, and Mr Tony Christopher of the tax staffs' union, who are normally associated with the centre-right.

Mr Murray voted against a lengthy boycott, and his rift with Mr Basnett is now serious. He is also at odds with major committee chairmen including Mr Keys, Mr Ray Buckton and Mr Moss Evans.

Howe blames France, Italy over rebate

BY KEVIN BROWN, PARLIAMENTARY STAFF

FRANCE and Italy were attacked in the House of Commons yesterday by Sir Geoffrey Howe, the Foreign Secretary, for adding to the problems facing next week's EEC summit.

Sir Geoffrey said the refusal of the two countries to approve regulations allowing payment of Britain's 1983 community budget rebate was "unjustified and misconceived."

Reporting on the community and foreign affairs council in Brussels, he told MPs: "It will in any case be difficult enough to reach agreement at next week's European Council on the main subjects on the agenda.

"It is clearly not in the interests of the community for any fresh obstacles to be placed in the way."

Sir Geoffrey said the Foreign Affairs Council would have to approve the payment at its meeting next week if it is to be paid by the deadline at the end of March.

Negotiations on Britain's demands for budgetary reform, the main subject of next week's summit, had made progress but still had a long way to go.

He insisted that agreement was still possible, but stressed that the Government's demands for a cut in agricultural spending and British budget contributions remained unchanged.

In the most optimistic passage of his report to MPs, he drew attention to the surprise agreement on milk production reached by community agriculture ministers on Tuesday. But he warned that proposals to solve the community financial crisis at the summit would be judged "by the extent to which they meet our essential conditions."

Sir Geoffrey said there was no question of an increase in EEC "own resources," the Community's share of VAT revenues, without agreement on the British demands.

Labour MPs were joined by anti-EEC Tories in warning of strong opposition to any increase in community tax revenues.

Revenue 'sanctioned' £100m tax schemes disputed at Lloyd's

BY JOHN MOORE, CITY CORRESPONDENT

LLOYD'S of London insurance professionals are now claiming that they received approval from the British tax authorities when they set up schemes which evaded tax amounting to more than £100m ($146m).

An internal committee of Lloyd's led by its chairman, Mr. Peter Miller, and a number of professional advisers, are resisting the Inland Revenue's attempts to recover tax liabilities on funds lodged offshore by the professionals in tax havens.

Through bogus reinsurance arrangements money has been channelled out of Lloyd's insurance syndicates under the management of the market's professionals to offshore companies based in tax havens. The companies have often been owned or controlled by the market's professionals who have arranged the contracts.

Lloyd's is arguing that the funds lodged offshore were arranged by the market to meet possible excessive insurance losses which fell on the syndicates. Because the Inland Revenue has been sceptical in the past about the reserves established onshore, say Lloyd's, to meet insurance losses these reserves have had to be established offshore.

Senior underwriting agents have submitted documents to Mr Miller's committee to show that when they established the offshore funds, in the form of "rollover policies," they had in a number of cases received Inland Revenue approval.

Lloyd's is also arguing that it needs the offshore funds, which the Inland Revenue now wants repatriated, and the boosted revenues of the syndicate liable to tax, to meet future losses.

The Inland Revenue is taking a tough line, however, because it argues that catastrophe losses have always been able to be met by onshore reserves and there has been little utilisation of the vast funds established offshore to meet claims.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1983							
1st qtr.	99.5	94.3	86	105.5	115.9	3,003	124
2nd qtr.	98.8	94.2	94	107.3	119.7	2,987	135
3rd qtr.	101.8	95.7	90	108.3	124.0	2,950	160
4th qtr.	102.1	96.2		110.3	151.4	2,941	162
July	101.1	96.1	104	107.9	123.8	2,957	153
August	101.0	95.4	81	107.6	123.7	2,941	162
September	101.7	95.6	84	110.0	124.3	2,951	164
October	101.6	95.7	95	109.0	130.4	2,941	167
November	101.8	95.8	95	110.9	141.9	2,937	163
December	102.9	97.1		111.0	176.6	2,946	155
1984							
January	103.6	97.6		107.7	123.4	2,976	152
February				108.9		3,005	149

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1983							
1st qtr.	95.7	91.5	105.0	92.9	99.8	88.7	18.1
2nd qtr.	95.6	90.2	105.3	92.4	104.2	88.7	19.8
3rd qtr.	97.0	90.5	108.5	93.4	104.3	89.8	17.2
4th qtr.	96.8	91.5	109.4	94.0	108.1	90.2	15.9
July	97.0	92.0	107.0	94.0	107.0	91.0	17.2
August	97.0	90.0	108.0	93.0	100.0	87.0	16.5
September	97.0	90.0	110.0	93.0	106.0	91.0	18.0
October	97.0	91.0	109.0	94.0	110.0	89.0	18.6
November	97.0	91.0	109.0	93.0	104.0	90.0	18.2
December	97.0	93.0	110.0	95.0	111.0	92.0	10.9
1984							
January	97.0	93.0	111.0	96.0	115.0	90.0	13.1

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1983							
1st qtr.	102.3	104.5	+203	+1,147	+1,801	97.7	17.34
2nd qtr.	100.3	108.6	−460	+ 28	+1,556	98.2	17.71
3rd qtr.	99.3	106.6	−248	+650	+1,521	99.4	17.90
4th qtr.	107.4	112.7	+ 5	+635	+2,123	98.7	17.82
July	95.9	106.2	−222	+ 27	+464	99.0	17.94
August	98.9	106.5	− 78	+222	+532	99.5	18.01
September	102.0	107.2	+ 52	+351	+525	98.6	17.90
October	103.2	118.0	−423	−213	+561	98.8	18.10
November	104.8	108.2	+ 71	+281	+661	98.7	18.10
December	114.3	112.1	+358	+568	+901	98.7	17.82
1984							
January	102.2	112.6	−339	−129	+719	98.2	17.78
February							17.98

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	Base rate %
1983							
1st qtr.	9.5	8.1	19.6	+4,456	1,174	2,520	10.50
2nd qtr.	15.3	14.6	15.0	+5,087	1,071	2,540	9.50
3rd qtr.	8.5	8.4	24.6	+1,491	2,098	2,646	9.50
4th qtr.	18.4	8.8	18.9		2,745	2,815	9.00
July	14.0	12.5	21.5	+ 776	739	828	9.50
August	11.5	10.8	22.5	+ 644	525	926	9.50
September	0.6	2.1	29.7	+ 71	834	892	9.50
October	8.6	4.8	22.8	+1,779	987	878	9.00
November	7.5	6.8	22.6	+1,418	870	959	9.00
December	15.3	15.2	11.9		888	978	9.00
1984							
January	7.6	11.5	12.3		926	965	9.00
February					954		9.00

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1983							
1st qtr.	144.7	124.6	121.8	327.0	302.1	277.29	80.5
2nd qtr.	148.0	123.6	124.2	333.7	306.3	272.89	84.3
3rd qtr.	150.9	124.7	125.1	338.0	310.4	288.14	84.9
4th qtr.	153.2	128.4	126.7	341.8	316.4	298.50	83.2
August	150.4	124.8	124.9	338.0	309.4	293.02	85.1
September	150.5	126.5	125.7	339.5	313.0	288.14	84.8
October	151.7	126.2	126.2	340.7	314.5	283.18	83.4
November	152.8	127.4	126.7	341.9	316.1	288.10	83.7
December	155.1	131.7	127.3	342.8	318.5	298.50	82.5
1984							
January	152.7	133.6	128.1	342.6	319.8	295.75	81.9
February		134.1	128.9			291.34	82.3

*Not seasonally adjusted.

UK NEWS

Carla Rapoport reports on an unwelcome Swedish takeover bid

Stickier times for paint makers

THE GENERALLY staid business of making and selling paint was disrupted this week by an unexpected bid for one of Britain's leading paint makers, Donald Macpherson, by Becker of Sweden.

The fate of a £13.6m bid might not excite the imaginations of many outside the industry, but the recent history of Donald Macpherson is very nearly a case history of what has been going wrong – and right – in the UK paint industry over the last few years.

Sales of industrial paint have been in decline since 1979, putting heavy pressure on companies supplying manufacturing sectors such as vehicles and shipbuilding.

But the retail sector of the paint business has been buoyant, largely a result of the amount of enforced leisure time caused by the UK's high unemployment rate. Money spent on paint and materials for home decoration has resulted in a boom in the retail sector, with the leading companies engaged in heavy price-cutting.

"The industry seems to have delighted in competing on price and volume, rather than worrying about profitability," a senior industry executive said this week.

The winners of this battle, in terms of market share of the retail sector, are undoubtedly ICI and Crown, plus the large producers of own-label paints such as Kalon. The losers, it appears, are the Berger Group, part of Hoechst of West Germany and one of the largest paint companies in the world, and Macpherson.

But neither Berger nor Macpherson intends to hold any funerals. Both groups are intent on fighting back.

For Donald Macpherson, the pressures of the last few years have been clearly reflected in its profit statements. In 1979, the company earned nearly £5m in pre-tax profits on sales of £76m. Last year, profits had dropped to £1.3m on £105m in sales.

At the same time, Macpherson found itself on the wrong side of the new brooms at Woolworth. The retailer had long been selling Macpherson's CoverPlus paints exclusively, an agreement which handed the paint maker about 10 per cent of the retail market and helped foster a cosy sense of security at Macpherson.

In recent years, however, the paint company's success at selling paint to Woolworth was not matched by similar selling skills at Woolworth. Stocks of CoverPlus were run down dramatically last year by Woolworth's new management; the retailer is also testing ICI's Dulux paints in its 50 largest stores.

Under the circumstances, it might be thought that Macpherson would welcome its Swedish suitor with open arms. But Mr Rex Chester, Macpherson chairman, has attacked the Becker bid as "opportunistic." He believes that the benefits of recent rationalisation work will begin to be felt this year. As a result the bid has undervalued the company, he adds.

Macpherson has been hard at work paring down its workforce, reducing its exposure to stagnant business lines, improving the geographical spread of its sales and developing highly-specialised and higher value-added products.

Regardless of the result of the Becker bid, Macpherson's ability to compete in the UK will be greatly improved this year. At Berger, the story is similar. From close to 12 per cent of the retail market in the late 1970s, Berger's share has slipped to about 7 per cent as most retailers began stocking two main brands (ICI and Crown) instead of three, in addition to an own-label brand. But like Macpherson, Berger has not been unaware of the troubles and has been quietly setting about to correct them.

According to Mr Bill Collins, chairman of Berger UK, his group has improved productivity by 40 per cent in the last 18 months through shedding a third of its workforce and shutting one of its four factories.

The group has also reinvested about £5m on updating and rebuilding its plants. After several years of losses, he says that Berger is now benefiting "enormously" from these changes and will move into profit this year.

He emphasises that redundancies have occurred right through the group, from management to the shop-floor. "We realised we had to create specialised companies which could be closer both to the employees and to the customers," he said. "We have to move into more specialised sectors, which are less vulnerable to the problems of price wars."

In this regard, Berger still faces a challenge. ICI's celebrated launch of its off-white paints a few years ago successfully created a premium-price paint sector within the retail trade, but ICI enjoyed its success for only two years.

By 1982, its competitors had launched their own ranges of off-whites and the price premiums melted away.

Major UK paint manufacturers

	Estimated sales of paint in UK†
ICI Paint (part of Imperial Chemical Industries)	£240m
International Paint (part of Courtaulds)	£110m
Crown Paint (part of Reed Int'l)	£100m
Berger (part of Hoechst)	£ 65m
Donald Macpherson	£ 40m
Kalon* (privately owned)	£ 40m
Blundell-Permoglaze	£ 30m
Goodlass Wall (part of Cookson Industries)	N/A

** Result of acquisition by Silver Paint & Lacquer of Carson-Hadfield*
† FT estimate

Airlines cut Belfast fare in price war

By Lynton McLain

A FARES war has broken out on the London to Belfast air route for flights later this month as British Airways (BA) and British Midland Airways bid for passengers with identical £29 single fares, which BA described as "uneconomic." The proposed fares are more than 48 per cent below the current BA normal fare of £56.

The fares have to be approved by the Civil Aviation Authority. British Midland filed its proposed low price introductory fare earlier this week

British Airways responded swiftly with its own identical fare yesterday.

Securities body seeks main role in investor protection

BY JOHN MOORE, CITY CORRESPONDENT

THE COUNCIL for the Securities Industry, which is fighting to be the City of London's main self-regulatory body, has framed a new policy which could lead to its becoming the main organisation for investor protection.

Since it was set up in March 1978 by the Bank of England as an umbrella body to supervise sectional interests in the City, the council has been subjected to considerable criticism. It has been argued that it has little or no role to play in the City.

But after recommendations by Professor Jim Gower, the department of Trade and Industry's consultant research adviser on company law, the council is now attempting to become the main body responsible for investor protection.

In a report published in January on investor protection, Professor Gower envisaged a co-ordinating role for the council between the Department of Trade and Industry which would be vested with wide statutory powers and a number of self regulatory agencies recognised by law. An Investor Protection Act, he urged, should be framed which would give force to his recommendations.

The council decided at a meeting this week that:

- It supports the Gower proposals, and that the Department of Trade and Industry must be at the top of the pyramid for self-regulation;
- The City must form self-regulatory agencies but the number of agencies must be limited;
- The self-regulatory agencies need not be based on existing trade associations; existing trade associations could continue provided that the regulation of a particular financial interest is carried out by a self-regulatory agency;
- New terms of reference and a constitution will be required for the council which are likely to lead to a change of name for the council;
- Lay members could be admitted to the council's work.

MPs examine British Gas and Sleipner deal

BY RICHARD JOHNS AND DOMINIC LAWSON

THE HOUSE of Commons committee on energy is giving priority to an investigation into the draft contract between British Gas and Norway for the supply of gas from the Sleipner oilfield, rather than to the enforced sale of the corporation's half share of the Wytch Farm oilfield.

The Committee decided yesterday to consider an inquiry into the Sleipner deal, which involves buying 1.2bn cubic feet of gas a day from 1990 onwards. It has called for documents.

A government decision on the deal is expected in the next two or three weeks after scrutiny by the Treasury. The cost of the supplies over the 25-year duration of the contract has been put at £20bn in current values. But it could amount to as much as £40bn after inflation is taken into account.

The Treasury's consideration of the provisional agreement, which was concluded last month, is connected with another preoccupation of the MPs' committee on energy: the Treasury's insistence that the price of gas and electricity should be set on the basis of long run-marginal costs (LRMC).

Treasury blessing could be conditional upon the application of this principle by British Gas and more successive annual price rises in real terms, similar to those imposed in the 1980-82 period. According to the LRMC criterion, gas prices could be *increased by about 30 per cent.*

The Treasury, it is believed, would be likely to insist upon the construction to the European Continent of a pipeline so that producers in the UK sector of the North Sea – in particular, British Petroleum, Shell, Esso and Continental – will have the option of exporting rather than selling to British Gas.

The vexed issue of Wytch Farm, the onshore field in Dorset, could have an indirect bearing on the decision on Sleipner supplies. The irritation within the Government at the dogged rearguard action carried out by Sir Denis Rooke, the corporation's chairman, over the enforced sale could prejudice it against the supply deal favoured by British Gas.

The MPs will learn that the cost of gas from the Netherlands, which the Government looked upon *favourably as an alternative* until recently, will cost 20 per cent more per therm.

Metals company allowed to sue in U.S. over alleged fraud

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE COURT of Appeal in London has ruled that a member-company of the London Metal Exchange can go ahead with a legal action in New York. The company, ACLI Metals (London) alleges that it was the victim of a massive fraud conspiracy by a subsidiary of the multinational Lissauer company.

The court overturned a Commercial Court injunction which had banned ACLI from proceeding with its claim against Associated Metals & Minerals Corporation (AMMC), a New York company.

Lord Justice Ackner said that the claim was one of a number of actions arising from the buying and selling of aluminium by Metall und Rohstoff, (M & R), a Swiss subsidiary of AMMC, through ACLI.

ACLI alleged that AMMC had executed a massive fraud when it faced serious cash-flow problems after the withdrawal, or substantial reduction, by New York banks of its existing lines of credit.

The problem was said to have arisen when AMMC was widely believed in the market to have a large net short position in aluminium.

To cover that position AMMC had to make large aluminium purchases. Had it done so in its own name, the price would have been driven up and AMMC's future potential losses increased.

ACLI alleged that to cope with that situation, AMMC conceived a plan whereby aluminium trading operations directed by it from New York and carried out by M & R could be used to save it from financial ruin.

ACLI also alleged that it had been induced to open and trade accounts for M & R as a result of false promises and representations by people controlled by AMMC.

ACLI had been led to believe that the accounts would be traded in such a way as to avoid it being exposed to loss. In the event, alleged ACLI, it had been left with the responsibility for millions of dollars of losses.

Lord Justice Ackner said that ACLI's New York claim was virtually a *mirror image of its counter claim to* an earlier action started against it in London by M & R. The Commercial Court had granted the injunction against ACLI on the grounds that London was the natural, more convenient and less expensive forum for dealing with the dispute.

It had also decided that ACLI would lose no substantial advantage by not being allowed to sue in New York, as it could claim punitive damages in the High Court or in a New York court; and that the English action was almost certain to be tried first and would decide all the issues.

Lord Justice Ackner said that ACLI was prepared to undertake to ask for a trial in New York by a judge alone, which would shorten the hearing, and to delete from its English counter claim all references *to AMMC, thus reducing the* overlap between the two actions.

Those undertakings, coupled with the probability that the two actions would be tried at much the same time next year, and the Appeal Court's doubts about the availability of punitive damages to ACLI in the English action, persuaded the court to discharge the injunction.

Mr Terry Duffy

Union is pledged to block work transfers

By David Goodhart, Labour Staff

A DECISION to black any European engineering work transferred between countries as a result of disputes over the introduction of a shorter working week has been supported by the executive of the *Amalgamated Union of Engineering Workers* (AUEW).

The European Metalworkers' Federation (EMF) – which has 7m workers in unions from most European countries in membership – made the pledge not to accept transferred work last week.

Mr Terry Duffy, president of the AUEW and the EMF, said: "Any employer or government who thinks they can get the work done elsewhere had better think again."

The blacking move could be tested by a major clash over a 35-hour-week claim from IG Metall in West Germany. The month-long "period of peace" over the claim in Germany has now ended and some token industrial action has begun. If the 2.5m members of IG Metall escalate the action, engineering companies in other countries might expect to benefit.

The German situation is being watched very closely by both sides in the UK engineering industry. The Engineering Employers' Federation (EEF) working party with the unions on the shorter working week and changed working practices has met on a number of occasions over the past three weeks.

No major developments are expected for some months.

Shore calls for more regulation

BY ERIC SHORT

PENSION FUNDS and insurance companies have become the driving force of the British economy, according to **Mr Peter Shore**, the Labour Party's spokesman for trade and industry.

No future government could afford to be indifferent to their investment decisions, he told delegates on the second day of the Financial Times conference held in London on *"Pensions in 1984 – the time for change."*

Mr Shore said that more of the country's savings needed to be invested in wealth-creating assets in the UK. He did not believe that there could be a continuing and unimpeded outflow of funds into overseas investment. Institutions would have to impose a brake and a limit on such overseas investment.

By harnessing the financial strength of pensions and insurance funds in a responsible way, Mr Shore said, a government committed to a growing economy could ensure that those institutions made an invaluable contribution.

Mr Shore, welcomed last month's publication of the Government's discussion document on disclosure of information by pension schemes. He felt, however, that the proposals did not go far enough. It was the clear duty of the Government to *regulate pension funds*, just as banks and insurance companies were controlled.

He urged the Government to legislate to protect fully pensioners and employees who changed jobs from the consequences of inflation on their pensions. Pensions should be automatically and fully revalued and increases should not be left to *ad hoc*, partial adjustments by employers.

Although Mr Shore wanted radical changes in the functions of occupational pension schemes, he emphasised that there was no necessity for any changes to be made in state pension provisions.

Mr Shore said he could find no evidence to support the Government's contention that the burden of the elderly was becoming so great that the country could not *maintain the present level of social* security services. The Government's own publication, Social Trends 1983, showed that the number of pensioners was expected to fall by about 5 per cent between now and the end of the century.

Mr John Kay, director of the Institute for Fiscal Studies, took a totally different view of the issues facing the state pensions scheme in the 21st century.

He accepted that, on the short timescale envisaged by Mr Shore to the end of this century, the demographic factors were favourable for state pensions. He claimed, however, that those factors would change at the beginning of the next century, coinciding with the time when the earnings-related scheme reached maturity. The difficulties posed by those two features would become formidable.

Mr Kay estimated that the national insurance bill, which had already grown from 5½ per cent of the wages and salaries bill at inception to 16½ per cent, would grow by another 10 percentage points between the years 2001 and 2020

Much of the costs of the social security scheme, he said, were wasted. They did little to relieve poverty in old age, as was the intention. He cited two contradictory examples to emphasise his point.

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The first showed that a married couple, both on national average earnings, would double their income in retirement in 40 years' time against a similar couple retiring now. But a couple on two-thirds national average earnings would show very little difference in the same period, despite the maturity of the state scheme.

Mr Kay urged the Government to undertake a complete rationalisation of the state scheme. He showed that future costs could be halved by making certain adjustments to the benefit structure, and advocated that the earnings-related state pension scheme should be scrapped. The resources would be better utilised, and poverty in old age eliminated, if the contributions were used to raise the basic state pension.

Mr Michael Hall, partner in the stockbroking firm of Phillips and Drew, was optimistic that investments would show a higher real rate of return over price inflation on a long-term basis, although he was a little guarded in the short term. He believed that UK equities and gilts would show at least a 1 percentage point better return than had been achieved in the past.

He preferred property to UK equities at present and admitted that he was probably more optimistic about property than many other investment advisers. He was cautious about overseas investment and urged investment managers to be careful over diversification of stock selections.

Professor David Wilkie, research actuary with the Standard Life Assurance Company, discussed the macroeconomics aspects of funded pension schemes and how they fitted into the economic framework of the UK. He contrasted their effect with that of unfunded schemes, such as state pension schemes.

Mr Tony Vernon-Harcourt, editor of remuneration studies at Charterhouse J. Rothschild, showed that there had been a steady improvement over the past three years in pension benefits for directors and senior managers in big UK corporate groups. He illustrated the importance of pensions in overall executive remuneration.

He pointed out that executive pension arrangements should be kept separate from the main company pension plan, but felt it debatable whether the improvement would extend to directors and executives in medium and smaller companies.

Mr Derek Bandey, deputy chairman of MPA, a leading firm of employee benefit consultants, pointed out that the pensions movement was undergoing a period of change. It was time to consider how resources could be better used to benefit its members – the reason for occupational pension schemes in the first place.

Surge predicted in sports hatchback sales

BY JOHN GRIFFITHS

SALES of sports hatchback cars, typified by the Ford Escort XR3i and Volkswagen Golf GTi, are predicted to out-perform the overall UK new car market this year by a large margin.

Mr Tod Evans, sales and marketing director of Peugeot Talbot, said sales of the cars were likely to grow by 25 per cent, from 78,000 last year to more than 100,000.

Mr Evans was making his forecast before Peugeot's own competitor in the sector, a GTi version of its 205 hatchback, is introduced in the UK in a few weeks' time.

Cheaper versions of the 205, launched in the UK in October, have quickly become Peugeot Talbot's best sellers. They accounted for 1.03 per cent of the new car market in January and February. Peugeot Talbot claims sales would have been far higher had the UK company been able to get enough supplies.

"We have been surprised by the success of the car," said Mr Robert Peugeot, a director of the UK operation. "There are now three- to four-month waiting lists."

The UK experience is being repeated throughout Europe. The originally envisaged output of 1,000 cars a day is being lifted to 1,650, and possibly 1,800, with the advent of production at Peugeot Talbot's plant in Spain as well as in France.

The GTi version is regarded as highly important by the company. In the UK, it is expected initially to account for 8 to 10 per cent of sales, rising to 15 per cent early next year.

M Peugeot said that, for Europe overall, the model should account for up to 300 a day of the expanded output.

A measure of the strength of the sports hatchback market, which has taken all manufacturers by surprise, is that 24 per cent of UK Golf sales have been of the GTi, 32 per cent of Alfa Romeo Alfasud sales of the Ti sports version and 14.6 per cent of Escort sales of the XR3i. Seventeen per cent of Metro sales are MG models.

Like other manufacturers, Peugeot regards its 120mph GTi version as a "locomotive" to attract showroom traffic and encourage sales of other models.

UK NEWS—AFTER THE BUDGET

Leasing industry braces itself for contraction

BY CHARLES BATCHELOR

BRITAIN'S £3bn-a-year leasing industry faces contraction following the Chancellor's decision to remove capital allowances and reduce corporation tax.

The leasing market developed rapidly during the 1970s but the rate of growth has slowed in recent years to only 6 per cent in 1982 and 2 per cent last year. It now accounts for about 15 per cent of total capital expenditure by British industry. Even without the Chancellor's latest measures it appeared to have reached its peak.

Under the changes the principal categories of tax allowance available to industry, covering plant and machinery and industrial buildings, will lose much of their advantageous treatment.

Mr Graham Truswell, project director for Mercantile Crdeit, the leasing arm of Barclays Bank, said: "This does not mean the leasing business is on its last legs but we have got to get back to the basics. Even without the tax advantage leasing is still an attractive way of acquiring the use of equipment without owning it. We will have to get our pencils sharper and use different techniques."

Mr Tony Jukes, deputy chairman of *Manufacturers Hanover* Finance, which claims to be the world's largest bank-owned leasing company said: "In the longer term many advantages of leasing will disappear though the budget does provide time for the industry to adjust.'

In the short term, the leasing industry expects an upturn in business as lessors and lessees try to make use of the remaining allowances available.

"The Budget has put the spotlight on leasing," said Mr Mike Whiddett, a director of Industrial Finance and Investment Corporation, which advises lessors. "People will want to take the maximum advantage while the allowances are still there."

Many non-specialised leasing companies which have gone into the business simply to cover the tax liability on their mainstream industrial or service business are expected to withdraw under the new tax regime.

"When they look at the 25 per cent alowance and the 35 per cent rate of corporation tax proposed a number of lessors will say that the effect is not worth the candle," Mr Whiddett said. "Lessees will compare the leasing rate and the rate for overdrafts and conclude it is not sufficiently large to go in for a complicated leasing transaction."

Leasing rates are expected to ease in the short term since lessors will be paying a lower rate of corporation tax on their rental income. Some lessees may even demand rental rebates which are allowed under variation clauses in most contracts.

But in the longer term, the loss of the tax advantage on capital allowances will reduce the cash flows to the lessor arising from the tax advantage and leasing rates will rise closer to money market rates.

Film production expected to be sharply curtailed

BY ARTHUR SANDLES

FILM PRODUCTION in Britain could fall by as much as 50 per cent as a result of Budget changes to film investment, according to the National Film Finance Corporation.

Describing the Budget moves as, "not the end of the world, but pretty awful," Mr Mamoun Hassan, managing director of the NFFC, thought it might reduce film production by between a third and a half.

Film investment will be regarded in the same light as industrial capital investment. First year capital allowances are to disappear by the spring of 1986. The film business had been assured that they would remain at least until 1987 for cinema investments.

The industry does not seem over-worried about successful UK film companies, such as the Goldcrest Films and Television, since concessions on corporation tax will offset the loss of capital allowances. However, there is considerable concern about investments which were placed for tax advantages.

"Foreign film-makers (mainly Americans) have been coming to this country for three basic reasons: our expertise, the Eady return (the Eady system) returns cash to film-makers from a levy on seat sales) and tax advantages. Take any one of them away and you will affect the decisions of some people," says Mr Hassan.

The position is further confused by the changes in personal taxation for foreign residents. London has a large number of long-term resident foreign film industry executives.

Investors are often attracted into films by tax concessions. "Many are unlikely to invest where there is no tax incentive," says the NFFC.

However, for those who are still prepared to take the leap, the return can be attractive. Companies seriously in the film business will remain, says Mr Hassan. "If you strike it rich you can achieve returns beyond the dreams of avarice."

Capital allowance boost for cable

By Raymond Snoddy

CABLE television networks are to attract full first-year capital allowances on plant, Mr Peter Rees, Chief Secretary to the Treasury, announced yesterday.

The Inland Revenue is to write to all cable operators to tell them the good news. However, the decision is unlikely to be acclaimed with more than two cheers, because the Chancellor announced on Tuesday that capital allowances are to be reduced, then phased out.

Mr David Campbell, chief executive of Clyde Cablevision, said yesterday: "I am absolutely delighted. Without this concession there would be no cable industry." He thought the company could take advantage of capital allowances before they were phased out.

The cable and satellite television industry in the UK was trying yesterday to work out where the financial advantage lay for them in the Budget. At the very least, a series of measures pulling in different directions will mean that cable operators will again have to rework their financial plans.

If they were planning to use leasing arrangements for their cable network they will have to think again.

One significant change to the consortium rules would enable up to 20 UK member companies (as opposed to five previously) to take part in a cable operating company and obtain tax relief on early losses.

Overseas companies or individual investors may hold up to 285 per cent of the shares without disqualifying the company members from consortium tax relief. This, according to Deloitte Haskins & Sells, meant that investment in consortium companies would be opened up to Business Expansion Scheme fund investment.

The reduction of capital expenditure allowances on plant and machinery in the year of investment from 100 per cent to 75 per cent and progressively to 25 per cent after April 1, 1986, will make it tougher for cable companies.

Yet the reduction in corporation tax would act as a stimulus to get projects under way this year attracting the 75 per cent allowance available on the bulk of capital expenditure. Future profits would then be taxed at the proposed 35 per cent rate for 1986-87.

Union fears for seamen

THE National Union of Seamen described the Chancellor's decision to phase out tax relief on overseas earnings as a devastating blow for Britain's 50,000 merchant seamen and officers.

Mr Jim Slater, general secretary, said this would leave a foreign-going seaman on average weekly earnings of £144, about £5.40 a week worse off from April this year, with a further £5.40 a week cut from April 1985.

Plus points outweigh minuses for buoyant gilts market

BY PHILIP STEPHENS

LOWER INTEREST rates less government borrowing, and falling inflation should be the recipe for a post-budget stampede into gilts.

Investors yesterday obliged Mr Lawson by snapping up the remainder of the Government broker's 1989 10 per cent tap stock at a ¼ point premium to last week's issue price.

While the stock market got carried away in a wave of euphoria, however, the City found a few cons as well as pros for government securities in the Chancellor's tax reforming budget.

The plus points clearly outweigh the minuses and most analysts predict further gains for gilts. But few forecast any radical shift from yields of around 10 per cent.

The good news is fairly obvious. A Public Sector Borrowing Requirement of £7¼bn in 1984-85 (and the City is fairly confident the Government can hit it) points to net gilt sales of around £5bn over the year.

That compares with estimated sales of £9bn this year, while investors' cash flow is expected to remain fairly buoyant and funding could also benefit from a predicted inflow of foreign funds.

Mr Lawson's determination to stick to his targets for lower inflation further enhances the outlook. Base rates at 8¾ per cent make real returns of 5 to 6 per cent on government securities distinctly attractive.

Mr Michael Jankowski, Simon Coates gilts analyst, believes that even if inflation were to rise to 6 per cent, current yields on conventional stock offer a good return.

The growing share of government funding being taken by National Savings (the target of £3bn for 1984-85 is unchanged but will take a bigger slice of the total) should give an additional boost to gilts, he says.

The outlook is clouded, however, by a number of uncertainties.

Brokers Phillips & Drew believes the reduction in the Government's overall funding requirement is unlikely to be fully reflected in the supply and demand balance for gilts.

Mr Stephen Lewis, its monetarya nalyst, believes that the market is also concerned that the PSBR target understates the real position of government finances because of the "one-off" effect of accelerated value added tax payments and increased asset sales.

Abolition of tax advantages for life assurance companies, a reduced appetite for government stock from building societies, and increased calls on funds from the equity market all mitigate against a sharp upsurge in gilts, it says.

The crucial question, however, is over the path of bank lending and its effect on the Government's money supply targets.

The Chancellor's efforts to revive the corporate bond market would obviously be a help in reducing the pace of bank lending to the private sector, which has forced consistent overfunding by the authorities in recent months to hold down money supply growth.

Many analysts, though, predict that borrowing by the personal sector will remain strong.

Mr Michael Osborne, at broker Grieveson Grant, says the Chancellor may have encouraged further growth in personal borrowing by encouraging people to mortgage their incomes against the prospect of future tax cuts.

Most analysts expect bank lending will rise by around £14bn in 1984/85, little changed from growth this year, and will maintain significant upward pressure on the broad measure of the money supply, sterling M3.

That could limit the scope for any further falls in interest rates, particularly in the light of forecasts that U.S. rates will remain high and could rise, and prompt further overfunding.

Life industry heaves a sigh of resignation

BY ERIC SHORT

LIFE ASSURANCE company executives are generally placid rather than volatile people. Thus their reaction to the withdrawal of life assurance premium relief has been one of resignation rather than fury.

Premium relief has been an attractive marketing feature for decades and its withdrawal will be a blow to sales, at least in the short term, and leave scars for decades.

Even worse, the withdrawal of the relief has not been accompanied by any significant tax concession. Life company funds are now more heavily taxed than building society funds and unit trusts.

Yet the executives have merely confined themselves to regretting the Chancellor's decision and pointing out what he already knows, that his action will make life assurance more expensive.

The three life company associations — the Life Offices Association, the Associated Scottish Life Offices and the Industrial Life Offices — simply say they will be making representations to the Chancellor. There are no moves for mass lobbying of the Government.

The suggestion that life companies might use their greatest sanction — a combined boycott of the gilt market — is treated with contempt as ungentlemanly.

The executives are adopting the attitude that the Chancellor *is not going to yield an inch*, not even to meet the plea from the Prudential's chief executive, Mr Brian Corby that the relief should stay for life assurance bought for long-term protection.

The life associations intend to seek a greater degree of tax neutrality for savings. They want the Chancellor to make some concessions on the taxation of life funds or the tax treatment of benefits to offset the loss of premium relief and bring life assurance into line with unit trusts and building societies.

But here the associations are in a dilemma. Life assurance still has the edge over building societies and unit trusts for higher rate taxpayers and many life companies market mainly to this class of investor. They are fearful that if too much fuss is made, they may lose this remaining advantage in return for fiscal neutrality for basic rate investors.

The other impact of the Budget is to impose more administration costs on life companies. They will have to keep policies issued as from yesterday separate from policies issued previously.

The associations are meeting the Inland Revenue this week to sort out the question of the status of contracts that were being processed but had not been completed prior to the Budget — an important point as there was a boom in sales ahead of the Budget following the leak forecasting the end of premium relief.

Finally, life companies have to scrap all their promotional literature, which gives great prominence to premium relief.

Brokers warn magic could fade if economy stumbles

BY ROBIN PAULEY

CITY brokers were generally enthusiastic about the budget, but warned that some of its magic may be lost if the economy failed to perform later in the year.

According to brokers Simon & Coates Mr Lawson has revealed some talents which TV magician Paul Daniels might envy.

"He has conjured up a budget which has reduced both personal and company taxation, cut the PSBR, invigorated the financial markets and had virtually no depressing impact on the healthy economic recovery now in place."

They describe it as a "very clever package indeed' and say that although life asurance companies will disagree the rest of City may see this as a wizard budget.

But they warn that if growth or inflation prove disappointing or if public spending over-runs target the tax cuts could quickly disappear and "jam tomorrow would become 'in a jam tomorrow'."

Capel Cure Myers say the "Red Book," the Financial Statement and Budget Report, shows Mr Lawson's bark is worse than his bite. As the economy recovers, tax cuts, rather than lower borrowing, appear to take priority with the reduction of the PSBR as a proportion of GDP proceeding at a snail's pace.

Dr Paul Neild, chief economist at brokers Phillips and Drew, applauded the Chancellor's courage in taking steps to reform the corporate tax system but warned: "It will be harder from now on." He estimated the Chancellor's measures directly added ¼ per cent to real GDP growth over the next 12 months

Grievson Grant said the budget had been cleverly designed to keep the recovery on course until well into 1985.

Profits from oil and gas assets 'could double'

BY DOMINIC LAWSON

THE BUDGET could have a dramatic effect on the value of the oil and gas assets involved in the Government's privatisation programme.

According to calculations by stockbrokers James Capel, the oil companies buying the 50 per cent British Gas stake in the Wytch Farm oilfield in Dorset could see their net profit from the purchase double.

The broker estimates that, taken alone, the stake could be worth £75m to the group, after it has paid off British Gas. Before the Budget tax changes the stake would have been worth £36m on the same basis.

However, the Dorset group said yesterday that British Gas, which is to receive 40 per cent of the stake's production at a later stage in the field's life, would also benefit greatly from the Budget.

The effect of the Budget's swing away from capital allowances towards a low corporation tax is seen in the oil industry as particularly favourable to onshore oil fields, which are less capital intensive than North Sea developments. The Wytch Farm oilfield is the UK's largest onshore oilfield.

The Budget should enable the Government to gain a much higher price for its forthcoming sale of British Gas's North Sea interests, in the form of Enterprise Oil.

According to James Capel the asset value of Enterprise Oil could increase by 19 per cent to £509m, chiefly as a result of the diminution in corporation tax on the company's considerable flow of oil production.

On the whole, the oil industry's reaction to the Chancellor's measures was favourable. able.

The industry is also pleased that it has been asked to discuss with the Government the possibility of some tax incentives in "incremental projects."

Institute of Directors gives 'two cheers'

THE Institute of Directors said the Chancellor's Budget was receiving two cheers from business. He deserved praise for raising tax thresholds, abolishing the investment income surcharge, improving share incentives and starting the long-overdue great debate on public spending.

Continuing reduction in the public sector borrowing requirement with favourable consequences for lower inflation and lower interest rates deserved applause, too.

He was, however, gambling on economic growth to provide the resources for future tax cuts. Such a policy had failed too often because of external circumstances such as world recession.

CBI welcome

THE Confederation of British Industry's council for smaller companies said the Budget was not just a first step but a stride for enterprise.

Reduction in the small companies rate of corporation tax was a welcome bonus. The improved tax treatment of share option schemes would also help.

'Irrelevant' charge

MR TOM BURLISON, leader of the North's largest union, the General, Municipal and Boilermakers, and chairman of the Northern TUC said the budget "offers little hope for an improvement in jobs and indeed the Chancellor has chosen to do little for the manufacturing industries."

The Chancellor described the Budget as neutral. Mr Burlison would describe it, for most but particularly the unemployed, as "irrelevant."

Tobacco union upset

THE TOBACCO workers union in Nottingham said the Budget increases on cigarettes were ridiculous. It said: "We have taken a battering from the Chancellor over the past five years. We have made representations but no one seems to be listening."

Wine prices cut

ASDA SUPERSTORES cut the price of its 30 most popular wines with immediate effect, within hours of news of lower duty on wines. It will hold all beer and spirit prices until after Easter.

Banks seek Revenue deal

BY RICHARD LAMBERT

THE BANKS will press the Treasury for compensation to cover the cost of administering the composite rate tax scheme introduced in the Budget. It is most likely they will be allowed the use of the tax they collect for a while before they have to hand it in to the Inland Revenue.

Mr Charles Green, general manager for financial control at NatWest, said: "We intend to raise this with the Revenue. The cost to us will be significant."

Under the composite rate system, banks become tax collectors by paying interest to depositors net of tax. This will involve expensive changes to their computer programmes at the outset, and smaller though steady running costs later on.

Banks have about £35bn of interest-bearing deposits from UK residents.

Action planned on fast food

BY LISA WOOD

THE fast-food industry yesterday established an action committee to oppose imposition of Value Added Tax in May on hot fast foods.

It is chaired by Mr John Barnes, managing director of Kentucky Fried Chicken, and plans a day of action against the tax.

The industry says the tax will hit the young and those on lowest incomes, the major consumers of fast foods, and employment.

Owners of 10,000 fish-and-chip shops are supporting the campaign. They aim to collect 1m signatures by Friday. Mr Barnes said others backing the action committee were Wimpy International and Chinese food outlets.

He said Kentucky Fried Chicken's 150 small franchisees lacked muscle and power of some other industries in lobbying the Chancellor

Moving into line with taxes on foreigners

BY OUR FOREIGN STAFF

The Treasury does not expect a major shift of operations by multinational groups from London to the Continent as a result of the Budget decision to phase out the 50 per cent tax relief for foreign employees working in the UK for overseas companies, writes Peter Riddell.

Mr Nigel Lawson, the Chancellor, apparently consulted the Bank of England and was told that major foreign banks were unlikely to move staff out of London.

There has been speculation that the European headquarters of some multinational companies might be moved from London to, say, Brussels in the light of the sharp increase in the tax bills of senior executives.

The move is regarded in the Treasury as primarily the removal of an anomaly left over *from* the big reduction in the higher marginal rates of income tax in the 1979 Budget. Ministers feel that the relief has led to widespread abuse and that the circumstances of high marginal rates which justified the concession no longer apply.

A subsidiary influence has undoubtedly been the desire to convey a clear message to the U.S. authorities in the controversy over unitary taxation. This is the practice whereby some individual U.S. states tax companies on a specified proportion of their worldwide earnings rather than on the profits earned in the state concerned.

THE Chancellor's move to scrap tax privileges for foreign nationals working in Britain, which alarmed leading City tax experts on Budget Day, seems to have brought the UK's regime more closely in line with those applied in most other major world business centres.

● In France for example, foreign residents enjoy no income tax privileges. They are taxed on worldwide income in the same way as French citizens. They are, however, exempted for five years from the "wealth tax" on assets of more than FFr 3.4m introduced by the French administration.

International tax experts in Paris pointed out yesterday that there are "absolutely no exemptions" reducing the tax burden of foreign residents in France. Indeed, cost of living allowances and tuition costs for children paid by a foreign company are calculated as taxable income. For a U.S. company, the cost of an expatriate employee in France equals three or three and a half times the employee's base salary.

● Foreign executives working for foreign or Swedish companies in Sweden enjoy no special tax privileges, which means that, like Swedes, they pay the highest income tax rates in the world. An executive earning SKr 300,000 a year would pay about 57 per cent of his income in tax.

Some relief may be in sight, however, in special cases. It is now recognised by the ruling Social Democratic Government, that the country's tax regime has made it virtually impossible to attract foreign experts such as researchers to Sweden, a handicap for research and development intensive companies which have been forced to locate activities abroad.

The government is preparing legislation to grant special tax privileges to key categories of research workers. The regulations could take effect next year.

● Hong Kong offers no tax concessions to foreign companies or individuals. Companies are taxed on profits earned in Hong Kong. Individuals are taxed on salaries earned in Hong Kong. There is no system of comprehensive personal income tax. Rates were raised in last month's budget. Company profits are to be taxed at a flat rate of 18½ per cent, salaries to be taxed progressively up to a maximum rate of 17 per cent, effective April 1. Both rates are two percentage points higher than those in the financial year to March 31.

While both rates are low by nominal international standards, Hong Kong has none of the allowances or deductions — apart from salaries tax thresholds — which can reduce actual tax paid in more complex jurisdictions.

Nor does Hong Kong offer any special packages, such as tax holidays or accelerated depreciation, to attract new capital investment, though in very exceptional cases the Government may offer land to an investing company at below-market price.

● Foreigners working for foreign companies in Italy must pay the normal tax and social security charges, which often amount to a substantial "tax bite" on salaries. Even though high salaries are often on offer for highly qualified jobs, most fringe benefits are officially taxed at a high rate as remuneration in kind. However, tax avoidance is widespread in Italy. Managers find it easier to reduce tax charges than do lower-paid employees.

● Foreign nationals resident in West Germany who are employed by a company based outside the country are not subject to any particular tax privileges on their income. Such employees, for the purposes of the German tax laws, are treated as German citizens.

Under federal law, they are liable to tax on their world-wide income, although West Germany has made agreements with various countries, including the UK, to avoid double taxation of income generated outside the country.

● As a matter of principle, Japan does not exempt resident foreigners from Japanese tax obligations. Depending, however, on the terms of any double taxation treaty and certain other factors, it may allow any taxes paid abroad to be deducted from Japanese tax liability.

The major concessions to foreign residents only apply to the first five years of their stay in Japan. As a rule, in that period Japan will only tax that part of foreign generated income actually remitted to Japan and will in practice ignore that paid elsewhere.

After five years, Japan considers all the foreign resident's income, no matter where generated or paid, to be subject to tax. Other concessions end after five years, thus resulting in sharply increased tax bills.

● Foreign executives working in Belgium are taxed only on the income they earn inside the country. This is the central element in a regime which accountants consider moderately liberal for foreigners — always provided they spend some time travelling abroad.

This means a *foreigner* has to be classified as non-resident. This status has to be proved to the tax authorities: it means the foreigners must show that their centre of economic interest is outside Belgium and that their presence is only temporary.

Once this has been established, various allowances follow. An executive with a global gross salary of BFrs 3m (£38,000) spending 15 per cent of his time travelling abroad could end up with a taxable income of BFr 1.5m.

This would attract tax at a rate of 37 to 38 per cent. The Belgian tax system works on a sliding scale, but there is no basic rate. Payments can vary from 2 to 73 per cent of income.

● Foreign business in the Netherlands, whose incomes derive from abroad, are entitled to a 35 per cent reduction in their level of income tax and social security payments during the first five years of their residence. However, those who take advantage of this facility are excluded from all other allowances. A married man with three children and a Dutch mortgage might, for example, pay less tax by opting to be treated as though he were a national of Holland.

THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

Advertising

How to choose an agency

BY FEONA McEWAN

"IT'S closer than anything outside marriage," says Peter Marsh, chairman of Allen Brady and Marsh. "You hope it's for a long time, if not for life."

Like all affairs, selecting and then living with an advertising agency is a pretty stressful process, purring along one minute, hitting pot-holes the next. "It's a curious mixture of the emotional and the rational," says another agency chief. "At one extreme, it's a question of how this agency answers the 'phone, through to whether it understands my business problems and if we like each other."

The agency/client relationship may founder for different reasons—the arrival of a conflicting account, for instance, can jettison even the most secure incumbent into the cold (Procter and Gamble left Young and Rubicam in a hurry after some 33 years when Colgate Palmolive arrived); there can be a separation (as when The Observer returned to Ogilvy and Mather after a period elsewhere); or it can be divorce, not always the amicable kind (remember Guinness and the shockwaves of its move to ABM from JWT after 13 years, or Parker Pens' leaving of Lowe Howard-Spink or Cinzano's break from Collett Dickenson Pearce).

But scratch beneath the surface and you will also find an unsung mass of steadfast partnerships, carefully nurturing each other's needs and bank balances. Some even reach silver weddings and beyond (like Unilever and JWT, Heinz with Y and R, Doyle Dane Bernbach and Dorlands, Bovril with O and M).

Prospective advertisers can find the selection process a punishing task, expensive in management time and resources. If it becomes known that an account is up for grabs, offers from ardent suitors full of winning ways of securing your financial assets will pour in.

First principle then *is to be* prepared. Obvious as it may sound, an amazing number of companies apparently still approach agency selection in an undisciplined way, without doing their homework.

"*It's a good idea,*" *suggests* John Wilcox of Lonsdales, an advertiser (for the Wool Secretariat) turned agency man, "to draw up a written brief in detail, certainly if the budget is £½m or more. It makes it *easier to judge an agency's* performance within given parameters."

Identifying what you need from an agency often throws up factors beyond the actual advertising. There can be general consultancy, help with marketing problems, expansion of operations and so on, suggests John Cumberland, an advertiser (ex-Gallaher, Cavenham, Hoverspeed) turned agency chief (of Curtis Edington and Say, a CDP offshoot). Market research, pack design, product development and public relations are other factors on which an agency can be asked to give advice.

The actual advertisements *are by definition the most* visible end result of an agency's work but it's a lot more than "who can draw the prettiest pictures," as the *Halifax* Building Society marketing manager puts it. "You're looking for deep appreciation of your business, and for follow-through after the honeymoon period."

Then comes the business of long and short listing agencies. It may not be necessary to do as Walls did and examine 27 agencies from the biggest to the newest (just one day old) but it's important for a client to define whether it is in the department store or boutique league given its particular business problems/budget/potential and whether it wants a full service agency or a specialist shop.

As Andrew Nebel, marketing manager of James Robertson, the preserves manufacturer, puts it: "What size of fish do you want to be and in what size pool do you want to swim?"

On the one hand, small accounts should not necessarily expect top talent from a huge agency which is busy servicing giant accounts which are central to its profitability, while, on the other, many top agencies won't consider business below a certain level, unless that business offers sufficient growth potential.

An invaluable aid to steering *advertisers through the maze* of possible suitors, is the Advertising Agency Register at 62 Shaftesbury Avenue, London W1 (Tel 01-437 3357), a reference service run by Lyndy Payne. The idea is so successful that she now has offices in New York, Madrid and Paris.

The AA register consists of video presentations (not showreels) of some 120 agencies mostly London-based or with regional networks like the Brunnings group. "It's a confidential, *impartial service,*" says Lyndy Payne, which gives advertisers the chance to view a final selection of 10 reels, each 10 minutes long. For this, the agencies pay an annual £2,000 and advertisers a nominal registration feet of £250.

Another service is Agency Presentation Ltd, of 11 Marylebone Mews, London W1 (01-935 5610) which can screen a selection of its 80 agency reels in a company's offices, whether in or out of London. The service costs agencies £2,500 a year and is free to advertisers.

The Incorporated Society of *British Advertisers produces* a booklet called "Choosing an advertising agency, a search for compatability," which is available (price £1) from 44 Hertford Street, London W1.

When it comes to the business of pitching, a number of agencies (no more than three says ABM; six is too many, says Davidson Pearse) are formally *approached but views on this* practice differ widely. "Hastily conceived creative presentations prepared on the basis of the flimsiest understanding of the advertiser's problems and market background are not a reliable indicator of ability," is Nebel's view. "It's very rare to get the correct solution to a company's problem in four to six weeks," says Robin Wight.

His agency, Wight Collins Rutherford Scott, has won all its 26 clients by presenting strategy rather than producing dummy advertisements. "We prefer to focus our resources on existing clients, rather than potential ones," he explains.

At the other end of the scale is ABM, which has actually run 80 per cent of the campaigns used in its presentations. "We love pitches—they get the adrenalin flowing," says Peter Marsh. "It's like winning the FA Cup."

Most agencies lie somewhere between these two extremes.

In the last analysis any selection boils down to personality. "I always ask to meet the team who would *work on my account* if they were to win it," said one advertiser. But it can be the tiniest detail that swings business either way. One potential advertiser from a profession soon to be free to advertise rang up a couple of agencies for a preliminary chat. On getting straight through to the chairman of the second agency at 8.45 am he said: "That tells me something about your agency. I've just rung agency X and the phone rang 10 times; not even the switchboard answered."

AD HOC

"NOWHERE are the stereotyped images of women either as sex kittens or stay-at-home mums more self-evident than in the fantasy world projected by advertising."

Thus the TUC in its Images of Inequality report condemns the advertising industry. Advertising, it says, has managed to crystallise many of the worst and most stale examples of stereotyping, although, it concedes, there are signs of slow change. It chides the Advertising *Standards Authority and the* Advertising Association for their reluctance to shape industry attitudes. The fact that women are severely under-represented in the ad industry itself, they say, means there's little influence from within (but then women aren't exactly in the majority on the TUC either, it could be argued).

In response, the AA refutes the suggestions that the industry is not reacting to social change. Increasingly men are shown in domestic roles and women are less likely to be shown as subservient mums.

It is, however, the job of product and service advertising to reflect society and not change it, to keep pace with change but not pre-empt it, the AA argues. And since the prime function of ads is to sell products and services they must reflect the reality of the marketplace where women were still the principal purchasers.

On the perennial issue of "sex objects" the AA points out that the ASA and the IBA now police ads which make gratuitous use of sex where there is no relevance to the product. But, says the AA, "we believe it is perfectly proper to have women—and men—as 'sex objects' when this is appropriate to the product, such as cosmetics and some clothes. Whether some moralists like it or not, many products are bought for sex enhancement and that *is* how they must be advertised," provided they do not contravene the industry's own codes of decency and taste.

West German railways

Something to crow about

John Davies on the state network's latest marketing efforts

DROP A parcel in at any one of 50 rail centres operated by West Germany's rail system—the Bundesbahn—before 5.30 pm and by 8 am (in a few *cases 10 am) the next day it* will be available for collection at any other nominated centre. That's guaranteed for anything weighing up to 80 kg. If your parcel is not there you get your money back, plus up to five times your money if late delivery has caused loss or damage.

This guarantee is just one of an armoury of innovations being introduced by the Bundesbahn. Like many of Europe's national rail systems the West German network runs a substantial deficit—nearly DM 4bn a year—and, again like some of its contemporaries, it is beefing up its marketing in an effort to win back business and reduce losses.

Explaining the Bundesbahn's new philosophy, Hemjo Klein, a member of the railway's management board, says: "We are a service organisation, not a state authority. We should offer our customers all the services that mean freedom from worry."

Klein is one of a new breed of rail executive brought in from industry (he had previously worked in airlines and retailing) and is helping to develop a strategy to stem loss of market share in passenger and freight traffic. His boss, Rainer Gohlke, the railway's chief executive, came from IBM, the computer group, 18 months ago.

The new marketing effort is *enshrined in "six commandments."* The first is "Service"—and this means ending bureaucratic treatment of clientele, says Klein.

"Second, we are in favour of competition. We accept it as a challenge and must be better than our competitors."

Third, the Bundesbahn should not be concerned just with moving people from A to B, but with eliminating worry from A to Z. This means providing as wide a range of services as possible.

"Fourth, we should not just wait at the stations for people *to come to us,' 'says Klein.* "We must go to the customers."

Fifth, the Bundesbahn must work with others, including its arch rivals, the road hauliers, to create the best possible service.

Sixth, trains and stations should serve as the Bundesbahn's "visiting card" and its 300,000 employees as its representatives. "Just look at some of our trains and stations," Klein remarks. "Something must be done about them—something dramatic."

To attract passengers, the Bundesbahn has offered various

❛ The Lintas agency is stressing the early delivery of the guaranteed delivery service with advertisements showing a cock crowing at dawn ❜

holiday travel concessions and is *considering other ideas, such* as expanding the network of Inter-City express trains serving major centres, creating "Kinderland" play centres on trains, and encouraging more use of the railways' own bus service.

Better freight services—and freight already brings in nearly twice as much revenue as passenger fares—are also something the Bundesbahn is beginning to crow about.

A *fast courier service for* small parcels carried on its Inter-City passenger express trains is already operating. Documentation has been so simplified that it is possible to hand a parcel to a rail employee on a train two minutes before departure. The newly-introduced guaranteed delivery service—*known as "Termindienst" or "deadline service"*—is priced according to weight of parcel up to 8 kg, not the distance travelled.

In June, the Bundesbahn inaugurates Intercargo, a *guaranteed overnight freight* equivalent of its Inter-City passenger express service. This is designed more for large-scale consignments, with Intercargo express trains hurtling non-stop through the night within a network of 11 major economic regions of West Germany.

The Bundesbahn is also negotiating with the road hauliers to persuade them to act as agents for passenger services.

Although some road hauliers *may be sceptical, the railways* are determined to set up an agency system: "If we don't do it with some, we'll do it with others," says Klein.

Advertising for the various freight services, involving a DM 3m *(£790,000) budget,* is being handled by the Lintas agency, which is stressing the early delivery of Termindienst with advertisements showing a cock crowing at dawn. With its finances tight, the Bundesbahn is spending a total of DM 30m on advertising this year; the DM 27m for passenger advertising is split roughly two-thirds for McCann-Erickson and one-third for R. W. Eggert, the Düsseldorf agency.

The railways are keen to give their new services a strong "brand" nature, underscored by advertising. "We want to give *services their own clear* identity," says Klein, "so that they are unmistakeable and difficult to do without."

With its new marketing ideas in freight and passenger services, the Bundesbahn is confident it can win back market share in some areas of business in the next few years.

But even so, it will remain deep in a financial mire. The DM 4bn deficit arises after government subsidies of over *DM 13bn a year.* In fact, the Bundesbahn's earnings meet only about 57 per cent of its costs and it has run up debt of DM 36bn.

JOBS COLUMN

Big pay lead for finance-sector executives

BY MICHAEL DIXON

"GOA WHEER munny is," advised Tennyson's northern farmer. And any ambitious stripling following that advice in Britain today would doubtless go to work in the financial sector.

The table alongside shows why. It illustrates how the money rewards of staff in banks, insurance businesses and other financial institutions differ from the rewards of people working at similar levels in Britain's manufacturing and distribution companies.

Wyatt job grade	Field of employment	Lower quartile Basic salary £	Lower quartile Total direct pay* £	Median Basic salary £	Median Total direct pay* £	Upper quartile Basic salary £	Upper quartile Total direct pay* £
10	Manufacturing & distribution	7,316	7,709	8,346	8,960	9,295	10,177
	Financial sector	7,140	7,891	8,430	9,350	9,522	10,543
13	Manufacturing & distribution	9,600	9,746	10,905	11,211	12,092	12,770
	Financial sector	9,875	9,875	12,045	13,380	13,993	14,843
16	Manufacturing & distribution	13,907	14,187	16,000	16,007	18,474	18,675
	Financial sector	16,927	18,695	20,388	22,030	23,502	25,093
19	Manufacturing & distribution	25,264	29,794	34,519	35,000	41,697	43,759
	Financial sector	28,000	32,800	37,272	42,057	45,000	46,300

*Includes salary together with bonuses, mortgage subsidies, and premiums for working in large towns and on shifts, but excludes any overtime payments.

The figures come by courtesy of the pay-consultancy arm of the international Wyatt group. It maintains a constantly updated bank of information on salaries and otherr ewards prevailing in some 4,000 organisations world-wide. Although the group's detailed reports on the state of pay indifferent countries and sectors are restricted to its subscribing companies, it has kindly provided the Jobs Column with some spot checks hot from its computer.

As a result, we can compare the pay of jobs of the same "Wyatt grade" in manufacturing and distribution in Britain on the one hand, and in the fiancial sector on the other.

What Wyatt grade a particular job falls into is determined by tight criteria, including the levels of knowledge and skill and experience required to do the work successfully, which the group has developed over many years. Only four of the various grades are covered by the table, and a rough idea of the sort of staff represented by each of the numbers in the extreme left-hand column of the table is given by the following:

Grade 10 refers to staff who, although lacking any significant managerial responsibility, are trusted to exercise a personally held skill competently under broad as distinct from close supervision.

Grade 13 represents a professional-level person such as an accountant or engineer who may head a small team, possibly including the odd trainee, but is minimally involved in deciding policies even though responsible for providing some of the information on which policy decisions are taken by more senior executives.

The other two can be indicated more briefly. A company chief accountant is a fair example of grade 16. The typical 19 person would be the chief executive of a business operation at the top end of the medium-sized range.

As you see, alongside each of the Wyatt numbers the table gives figures for the money rewards received by people in that particular grade, first in manufacturing and distribution, and below that in banking, insurance and suchlike.

The left-hand double-column of money figures under the heading "Lower quartile" refers to the person who in a ranking by rewards of all the people in the same category would come a quarter way up from the bottom. The next double-column under "Median" refers to the person precisely mid-way in the ranking, and the "Upper quartile" to the person a quarter way down from the top.

What the figures suggest is that while financial-sector staff in the most junior of the four grades covered enjoy only a slight advantage on the whole over their counterparts in manufacturing and distribution, the differentials between the two sectors widen markedly over the two middle grades.

Taking median total direct pay as a yardstick, we find that the industrial grade-13 person is 16 per cent worse off than the financial equivalent. The corresponding shortfall at Wyatt's 16 level has extended to 27 per cent.

At grade 19 the industrial executives have somewhat narrowed the gap perhaps because, being typically chiefs of their own operations, they have more power than their more junior staff have to set their own rewards. By the median total direct pay criterion, the industrial grade-16 manager is 54 per cent worse off than the 19-grader; the comparable disadvantage in finance is a bit less than 48 per cent.

Even so, by the same yardstick, the manufacturing and distribution chief is getting only about 83p for every £1 received by the person in the same grade of job in the financial world.

Top consultants

NEIL KILPATRICK, director of operations at PA Management Consultants, seeks leaders for two London-based consultancy groups geing formed within PA's general management division. One recruit will head the marketing consultancy team, the other will have counterpart responsibility in the financial services field. The challenge facing each of them, he says, is "to double the present level of business in two to three years."

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Written inquiries to Mr Kilpatrick at Bowater House East, 68, Knightsbridge, London SW1X 7LJ; Telex 72556.

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If your career is at a dead end and you are considering a change of direction this could be the opportunity you are looking for. Self assured people with ability and business acumen are needed to train for a career within the financial services industry. Exciting opportunities for personal success and career development are linked with excellent training and the prospect of a very high income.

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Telephone: 01-437 9657 William Daysh
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Finance & Administration Manager

City **c.£20,000+bonus**

The London Bond Trading subsidiary of a highly regarded European Bank is now being run very successfully as an autonomous unit within the Bank's Securities Division.

Both actual and planned expansion is rapid and to cope with this growth they now require a manager to organise and control all functions and administrative aspects of the unit, paying particular attention to the development of computer and management information systems.

The ideal candidate will be a qualified accountant, aged 30-45, with several years' experience in a highly competitive and commercial environment, with demonstrated skills in financial controls using computerised systems. An awareness of legal matters would be a distinct advantage.

Write in confidence, quoting reference 4979/L, to Christopher Bainton, Peat Marwick Mitchell & Co., Executive Selection Division, 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

PEAT MARWICK

Unit Trust Sales Manager

An important expansion of our marketing effort in unit funds demands the addition of a top calibre person to promote our funds and services to professional advisers.

The ideal candidate will have an in-depth knowledge of the unit trust industry and financial services in general, probably with an insurance broking, stockbroker or investment advisory background. He or she should be responsible, outgoing and prepared to take initiative.

A highly competitive remuneration package is offered. The position is based in Fenchurch Street and the successful candidate will be required to travel extensively in the U.K.

Interested applicants should send their CV to:
P. F. G. Barnes, Assistant Director Personnel,
Kleinwort, Benson Limited, 20 Fenchurch Street,
London EC3P 3DB.

KLEINWORT BENSON
INVESTMENT MANAGEMENT

Treasury Management Consultants

Do you have sound Treasury Management experience? If so you may be interested in joining our consulting practice.

Price Waterhouse Associates is one of the leading management consulting practices in the United Kingdom and worldwide. We need more consultants well versed in treasury management to join our London and European based specialists.

We provide a developing range of consulting services with special emphasis on assignments to enhance the treasury activities of our clients, in the areas of cash, currency and exposure management, treasury organisation, and information needs.

Typical assignments might include the establishment of a global exposure management system (for a major international bank); upgrading the treasury organisation and designing a treasury reporting system (for a multinational corporation); researching the cost of cash transmission; and improving the efficiency of cash collection (for a UK utility).

You will have had sound experience in the treasury function of a multinational company or nationalised industry, or in the treasury or cash consulting group of a bank. You should be under 35 and have the ability to take counsel with senior management.

If the challenge of consultancy in the United Kingdom and Europe attracts you please write in confidence enclosing a summary of your treasury experience and other relevant details quoting MCS/3969 to:
David Prosser, Price Waterhouse Associates,
Southwark Towers,
32 London Bridge Street,
London SE1 9SY.

Price Waterhouse Associates

Dealers

The Ladbroke Index offers clients a means of speculating in a variety of financial markets such as the FT, Dow Jones, Sterling/dollar and Gold Indices. We have recently transferred our operation to new custom-built offices at our Divisional Head Office in North West London.

Undoubtedly this move will enable us to benefit fully from the major resources available to us there and to give the highest standard of customer service in an increasingly competitive market.

Consequent upon this move and our anticipated expansion, we are now looking for dealers to join our team. Applicants should be aged between 27 and 40 and be able to demonstrate a successful record of achievement through the direct handling of major clients in the stock market or principal commodity markets.

Please send full CV together with your personal assessment of the contribution you believe you could make to the business in the first instance to:
J.N. Jolly, Personnel Controller,
Ladbroke Racing Plc, Hanover House,
Lyon Road, Harrow, Middlesex.

Ladbrokes
give you more

Banking/Treasury Experience?

Aged 23 plus?

Develop your career in International Treasury role

London **Up to £12,000**

Our client, a North American company with interests that include international transportation and hotels, has a challenging opportunity in their small European Treasury Department.

As Assistant Manager, Treasury Operations – Europe, you will control the daily operation of all UK bank accounts, negotiate foreign exchange transactions and short-term investments and control the preparation of various internal financial statements and analytical reports. You will also assist in implementing computer technology for data processing and transmission.

You will have at least 2 good 'A' levels and ideally a degree in Economics or similar subject. You will have worked for a minimum of 2 years within a treasury-related operation, either in the banking or the commercial sector, and have had some exposure to computer applications in this area. You will now be looking to use your experience and initiative in an environment receptive to reasoned argument for change.

In addition to a salary that will depend on level of experience, terms of service include interest-free season ticket loans, 20 days' annual holiday, medical insurance and contributory pension fund.

Please write – in confidence – with full career and salary details to Peter Evans ref. B.49206.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,
17 Stratton Street, London W1X 6DB.

Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL
MANAGEMENT SELECTION

Sector Oriented Institutional Selling

Oils & Electricals

Our client is a major UK stockbroker with a substantial research presence and an effective institutional sales-force. They want to complement the general sales team by recruiting sector specialist salesmen who would spend a large part of their time servicing a wide range of institutions on a single sector.

The positions would suit analysts with 2/3 years relevant experience who would like to spend more time talking to clients and less on research – though some research will be involved. Alternatively they would suit salesmen of similar experience who would enjoy becoming involved in a single well researched sector.

Applications from more senior candidates with particularly relevant experience would also be considered.

Remuneration would be highly competitive.

Applications, which will be treated in strict confidence, should include details of career to date and be addressed to J.D. Vine (Ref. CRS 88), Vine Potterton Limited, 152/3 Fleet Street, London EC4A 2DH.

Applicants, male or female, are requested to indicate any organisations in which they would not be interested.

Vine · Potterton
RECRUITMENT SERVICES

Investment Management

LAMIT

The joint City Investment Office of the Local Authorities' Mutual Investment Trust, the Central Board of Finance of the Church of England and the Charities Official Investment Fund seeks a portfolio manager for the local authorities' side of its expanding Investment Department.

He or she will manage one or more substantial portfolios and be responsible for liaison with clients. There will be active involvement in formulating the Office's investment policy through specialisation in selected equity sectors. A competitive salary will be paid and there are good prospects for promotion.

The successful applicant will have at least 2-3 years' experience with an investment institution or stockbroking firm, will probably be aged 25-35 and have a degree or professional qualification.

Apply with c.v. to the Director,
LAMIT, Winchester House, 77 London Wall,
London EC2N 1DB marked 'Confidential'.

Chief Eurobond Trader

Balance a Successful Team

You have already established yourself as a respected name in Eurobond Trading and now seek a firm platform from which to further enhance your career.

Our client, a major marketing house, has achieved considerable and consistent success in leading and co-leading the management of Eurobond Issues.

Its recently increased strength in the placement of straight dollar bonds has accelerated the need for an associate director to be appointed. You will expand trading activities, take responsibility for a team of traders and add strength to a stable management team in such areas as risk coverage, book size, etc.

If you are aged 30-40 and have the necessary experience for this position, ring or write in the strictest confidence to Michael Cripps of Cripps, Sears and Associates Ltd (Personnel Consultants), 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701.

Cripps, Sears

Develop through Documentary Credits

Do you have proven experience in documentary credits? Can you manage a small staff? And are you aged around 30, numerate, with business law exposure and looking for more responsibility which could lead to a role in business development?

Our client, a major international bank, seeks an Assistant Manager, Operations, initially to help run the Documentary Credit/Loan department but later to broaden into other departments. Success in these areas could lead to further responsibilities in the field of corporate business development. Remuneration includes a negotiable salary circa **£16,000,** plus normal banking benefits.

If interested, please write to or ring Derek Cox at Cripps, Sears & Associates Limited (Personnel Consultants), 88 High Holborn, London WC1V 6LH. Telephone: 01-404 5701 (24 hours).

Cripps, Sears

BANKING APPOINTMENTS

EUROBOND SALES c.£40,000

Our client, an active respected name in new issues, wishes to recruit an established bond sales person. Salary and benefits will be negotiated according to the standing of the individual applicant. Complete confidentiality is assured.

ASST. OPS. MANAGER — STERLING

This is a new position where the operations area has been split between FX and Sterling. The Assistant Operations Manager with a staff of 12 will have control of all sterling transactions which will include Cash Tills, Settlements, Securities and Stock Exchange dealings. Knowledge of computerised systems and man-management experience are both considered essential as is possession of AIB. Age 28/37.

Jonathan Wren BANKING DIVISION
170 BISHOPSGATE
LONDON EC2M 4LX
01-623 1266

US Sales Executive

We have a vacancy for an additional, experienced sales executive to complement our existing team, based in London, serving U.K. institutional clients.

The person we seek will be highly motivated and either be experienced in the field of American equities or be a very successful U.K. institutional sales executive who wishes to consider switching to an investment area with exciting opportunities.

Excellent remuneration package and career prospects for the right person.

Applications with details of career and experience to:—
The Staff Partner, Grieveson, Grant & Co.,
59 Gresham Street, London EC2P 2DS

Grieveson Grant

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The Country's most successful Recruitment Service

Senior Investment Analysts

(1) European Market
(2) Far East Market

City **£ Highly Negotiable**

This major Middle Eastern Investment Company has experienced considerable growth since its formation and is responsible for investing substantial sums of money throughout the world.

This expansion has led to the creation of two key appointments which must be filled by experienced analysts who have the flair and ambition which has already marked them out as specialists in the areas indicated above.

Working conditions, facilities available, remuneration and benefits should all appeal to the most discerning of candidates.

Telephone 01-247 9431 (24 hr service) quoting Reference 0917/FT
Reed Executive Selection Ltd., 122 Whitechapel High St., London E1 7PT

London Birmingham Manchester Leeds

Director of Administration

East Midlands

To: £25,000

Our client, the major UK Division of a large American international group, consistently profitable and with an exciting future is creating this new appointment to its Board.

Whilst reporting to the M.D. the position carries broad responsibility for devising and implementing controls and procedures across wide ranging commercial activities of the business, and is therefore likely to have a significant impact on its future development.

Candidates, male or female, preferably aged between 35 and 45, should ideally be graduate accountants or lawyers with substantial experience of more than one discipline gained from within an international company of size and reputation.

The salary package will be negotiable but will include a profit related element in addition to all usual benefits associated with such an appointment, including an executive car.

Please write in confidence, initially with brief details, and quoting reference 1409 to John Anderson, as Advisor to the company at:–

John Anderson & Associates

Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ.

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DEPARTMENT OF MANAGEMENT STUDIES

LECTURER II / SENIOR LECTURER

Applications are invited from suitably qualified candidates to teach Financial Aspects of Management on a range of courses, but mainly on the Diploma in Management Studies, Certificate of Management Studies and Small Business Programmes.

Candidates should be professionally qualified, preferably with a Degree and/or relevant industrial and commercial experience. An added advantage would be the ability to teach quantitative techniques and computer applications.

Salary: £7,215-£11,586 (efficiency bar) — £12,552 (work bar) — £13,443 per annum.

Application forms and further particulars from: The Personnel Section, Teesside Polytechnic, Borough Road, Middlesbrough, Cleveland TS1 3BA. Telephone: (0642) 218121, Extension 4114.

Closing date for applications: 31 March 1984.

CJA

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35 New Broad Street, London EC2M 1NH

Tel: 01-588 3588 or 01-588 3576

Telex No. 887374 Fax No. 01-638 9216

A demanding appointment with excellent prospects for further promotion.

RECRUITMENT AND TRAINING OFFICER

CITY OF LONDON **£11,000—£14,000+MORTGAGE SUBSIDY**

INTERNATIONAL BANK

Applications are invited from personnel professionals, aged 28-35, with at least two years' recruitment experience in a bank or an organisation using modern personnel management methods. Reporting to the Senior Manager—Personnel & Administration, responsibilities will include the recruitment of secretarial and operational staff, and the provision of recruitment support services to senior management. The bank has a firm commitment to internal and external training and the successful candidate will be encouraged to develop further training courses/activities. A diplomatic but firm, positive and innovative approach is needed for this autonomous and responsible position. Initial salary negotiable £11,000-£14,000 + mortgage subsidy, non-contributory pension scheme, free life assurance and free BUPA. Applications in strict confidence, under reference RTO4248/FT, to the Managing Director:

CAMPBELL-JOHNSTON ASSOCIATES (MANAGEMENT RECRUITMENT CONSULTANTS) LIMITED,

35 NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE: 01-588 3588 or 01-588 3576. TELEX: 887374. FAX: 01-638 9216.

* Please only contact us if you are applying for the above position.

Business School Graduates

Are you a recent graduate from the London Business School, or another business school of similar standing, aged about 30-35 with leanings towards marketing/finance? Are you bored with your first job since graduating and looking for a move? If the answer to these questions is 'yes' then Heron International wants to give one or two people like you an opportunity to work for 3/4 years in its various trading activities both in the U.K. and the U.S.A. with a view to an eventual top managerial appointment. Successful applicants can look forward to an exciting and rewarding long term career with a fast growing and dynamic Group.

Please write with C.V. in strict confidence to Harry Dobin, Director

Heron International PLC HERON

Heron House, 19 Marylebone Road, London NW1.

General Management

£20-£30K Salaries

Opportunities exist at several levels for men and women to manage profit centre plants and groups of plants, manufacturing and selling electronic components to international markets.

Candidates should be educated to graduate standard, with at least six years experience of operating profitable independent fast moving businesses.

There are vacancies at various attractive locations in England and North Wales. Excellent employment terms include a Rover 2600 car.

A good relocation package is available.

Application forms and further details can be obtained from J. Brierley, Director, Personnel & Administration, STC Components, Edinburgh Way, Harlow, Essex CM20 2DE.

STC COMPONENTS STC

NEWLY QUALIFIED

Congratulations are obviously in order. Now is the best possible time to consider your future career. Our consultants can guide you through the options available, ensuring that you get the best possible choice. That's why Robert Half Personnel has grown to become the largest, most experienced financial recruitment service in the world. A few career opportunities are listed below:

BANKING c£12,000 + Benefits
New position with London branch of this substantial European bank. Responsibilities will embrace financial accounting, corporate taxation and ad hoc investigations. Suitable applicants will be recently qualified Accountants, preferably with bank audit experience.
CITY

INTERNATIONAL AUDIT c£13,500
A major U.S. corporation offers an excellent learning environment, overseas travel plus considerable exposure to top level management. The company can provide a secondment to the U.S.A. and the opportunity to learn a foreign language per year.
LONDON BASED

GROUP TAX ACCOUNTANT c£14,000 + Car
Large service company seeks young, commercially orientated accountant to look after U.K. group tax affairs. Responsibilities include assisting with worldwide tax planning, DLT, DTR and generally ensuring compliance with current U.K. tax legislation.
CENTRAL LONDON

OVERSEAS OPPORTUNITIES
Salaries £13,000 – £20,000 TAX FREE
A 'Big 8' practice requires young recently qualified accountants for various locations throughout the Gulf. You will gain international experience plus the opportunity for capital accumulation.
MIDDLE EAST

PUBLISHING to £13,000
Progressive publishing company seeks young, graduate accountants. Opportunities exist both in the management accounting and financial accounting areas. Duties will include forecasting, preparation of monthly accounts, profitability and variance analysis, ad hoc projects etc.
CENTRAL LONDON

ELECTRONICS £13,000
A household name in the audio and visual equipment field, seeks a young Chartered Accountant with a systems bias. As Branch Accountant, the successful candidate will advise line management on a variety of key issues, and enjoy travel to Europe and the Middle East.
HANTS

Contact Peter Breen or Katriona Wheatley for further information.

ROBERT HALF

PERSONAL ASSISTANT

Holborn **c. £15,000+Car**

An excellent and unusual opportunity has recently arisen within a fast-expanding medium-sized practice.

The London office is seeking a replacement for a personal assistant recently admitted to partnership. Responsible to two partners the work will nevertheless provide scope for independence of action on a wide and varied range of clients. A positive and constructive approach to client services is looked for and encouraged, and the work, although rewarding, will be demanding.

If you are a chartered accountant aged under 30 with all-round skills and you feel confident of maintaining strong client relationships then write with full c.v. to:

Graham Smith
MACINTYRE HUDSON
28 Ely Place, London EC1

Legally Qualified Professional

Currency and Interest Rate Swaps

Citicorp, a pioneer and market leader in this fast expanding field of merchant banking, wishes to stengthen their London-based swaps team with a Documentation Professional.

As deputy to the head of the swaps documentation unit within the team, you will take responsibility for the legal/documentary aspects of swaps transactions. You will be involved in the preparation of documentation, liaising with counsel as necessary and negotiating documentation with clients. You must be prepared to travel overseas at short notice.

You are expected to give advice and assistance to team members in matters of a legal/documentary nature. In the absence of the Head of the Documentation Unit you will be responsible for its day-to-day functioning.

To apply you will need a law degree and at least two or three years' relevant experience in law or international banking, which will include drafting and negotiating of legal documentation of international merchant banking transactions. Accuracy, a good legal mind and common sense are indispensable.

In due course there are prospects for other career opportunities within Citicorp.

For the right man or woman we will provide an attractive remuneration package

Please write enclosing full career details to Miss Hanneke Frese, Citicorp, 335 Strand, London WC2.

CITICORP

HOARE GOVETT LIMITED

require

JUNIOR AUTHORISED CLERK
BLUE BUTTON

Hoare Govett Limited require a Junior Authorised Clerk and a Blue Button. Applicants should have a minimum of five GCE "O" levels, be intelligent and of a smart appearance. Salary will be negotiable depending on age and experience.

For further information please contact Annette Culverhouse, Personnel Officer, Hoare Govett Limited, Heron House, 319-325 High Holborn, London WC1V 7PB. 01-404 0344.

Marketing Officers

International Bank

City **c £20,000 + car + benefits**

Our client is an expanding international banking group, currently involved in consolidating specialist marketing teams in a number of business areas. As part of this programme they seek two manager level executives who will assume responsibility for marketing to specific geographic areas, the UK and Europe respectively.

Candidates should have a sound credit background and substantial front line business and client development experience. Alongside lending and export finance, duties will include initial marketing of other bank products such as foreign exchange and leasing. The age range is 26-40.

Applicants who possess sufficient drive, ambition and management skills should telephone Nick Waterworth on 01-404 5751 or write to him at Banking and Finance Division, 23 Southampton Place, London WC1A 2BP quoting reference 3365.

Michael Page Partnership

International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

TRADE FINANCE MANAGER

One of the leading Confirming/Trade Finance Houses (member of large international group) with extensive buying — shipping — finance interests, seeks to appoint a TRADE FINANCE MANAGER for the UK business.

The successful applicant will be responsible for seeking — negotiating and finalising arrangements with UK houses — both in respect of exports and imports — where the client concerned requires finance and expertise to enable them to facilitate and expand their present business. The vacancy exists within an executive team currently dealing with a large annual turnover of trade with overseas buyers and suppliers. In consequence appointee's contact with interested UK companies could lead to business growth, both for the newly sought clients and those already serviced abroad.

Main office of the company is based in Essex. Salary by negotiation — car and expenses — pension scheme — life assurance — BUPA. Applicants should be aged between 30-50. Fairly extensive travel within UK involved.

Apply by submitting full cv to Box A8537
Financial Times, 10 Cannon Street, London EC4P 4BY

YOUNG FINANCIAL EXECUTIVE

£15,000-£20,000

WINDSOR

A small, young, rapidly-expanding company is looking for an ambitious person to complement the work of the Managing Director. The company is engaged in managing currency hedging portfolios on behalf of clients and in marketing a variety of such schemes for different applications to large commercial and industrial companies. It currently has over £40m under management.

The successful candidate will be a graduate with at least two years' experience, preferably in a financial role, and may be an academically-minded accountant or a practical-minded economist. He or she will be numerate and articulate and with the confidence to formulate, elaborate and defend his/her own ideas in a very intellectually-demanding environment.

The remuneration package is negotiable according to age and experience and will include a car, non-contributory pension scheme, life assurance and bonus scheme. The right candidate can expect to achieve Director level and opportunities to acquire equity within three years.

Write, enclosing curriculum vitae and daytime telephone number, to:—

Neil Record, Managing Director, N.P. Record Ltd.
16 High Street, Windsor, Berks.
Tel. Windsor (07535) 54232

FINANCIAL CONTROLLER

£13,000+ Neg. AAE - W1 Publishing

A rapidly expanding and very well financially backed magazine publishing group seeks a qualified or part-qualified accountant to act as financial controller.

Thorough familiarity with micro/mini computers, the proven ability to effectively supervise a number of staff and to design accounting systems are essential.

Applicants should be aged 28-45, energetic and outgoing.

Telephone or send full curriculum vitae including day-time telephone number (which will be used with discretion) to:

David Mathewson FCA, Beavers Limited, 411 Oxford Street, London W1R 1FG
Telephone 01-493 2451 or 01-629 6575 (recruitment consultants)

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For Forex/LIFFE/Money Market appointments at all levels discuss your needs, at no cost, with a specialist

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Mergers and Acquisitions

Young, aggressive, ambitious. Good telephone manner. Not afraid of hard work, long hours and extensive travel. Marketing and new business development.

Knowledge of Media, Leisure and Service Industries an advantage. Starting salary in the area of £17,500 plus normal benefits. Excellent prospects.

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Birmingham	021-632 5648	The Rotunda, New St.
Bristol	0272 277915	30 Baldwin St.
Edinburgh	031-226 5680	47a George St.
Leeds	0532 450243	12 St. Paul's St.
Manchester	061-236 8409	Faulkner Hse, Faulkner St.

U.S. Equity and Eurobond Salespersons

New and expanding securities house has vacancies for American Equity Sales Staff and Eurobond Sales Staff to establish respective departments. Applicants with outstanding reputations should have at least 3 years' experience in their fields. They should also be ambitious and able to generate business on their own initiative. Extremely high commissions paid.

Independent Fund Managers

We can offer you office space, a low cost dealing facility, and research plus other attractive benefits.

Please reply to P.O. Box A8532
Financial Times, 10 Cannon Street, London EC4P 4BY

CORPORATE FINANCE

Salary not less than £25,000

City Merchant Bank seeks graduate accountant or solicitor to join its expanding corporate advisory team. Attractive income and capital compensation package commensurate with experience. Ambitious and talented individuals aged 26-34, please apply in confidence to:—

BERESFORD ASSOCIATES

Boundary House, Charterhouse Street, London EC1M 6HR

WANTED

EXPERIENCED FINANCIAL EXECUTIVE

Chartered Accountant, age 38, French speaking, with extensive experience in shipping, international trade and related financing, seeks challenging opening.

Write Box A8536, Financial Times
10 Cannon Street, London EC4P 4BY

DESPERATE

Hard working 19 year old male. 9 "O" levels, 3 "A" levels, seeks accountancy post to enable study for professional qualifications.

Please Tel: 01-402 4534

Day and Evening

PRIVATE SECRETARY / ASSISTANT. Energetic, quadrilingual, extensive professional experience in Italy/Switzerland, England/Germany, seeks interesting position in Europe or U.S.A. Free to travel. Write Box A8535, Financial Times, 10 Cannon Street, London EC4P 4BY.

Accountancy Appointments

Ambitious Accountants

Gloucester

c.£15,000+car

Trident Insurance Group is part of a successful US $4 bn corporation. The two major UK companies are engaged in Unit-Linked Life Assurance and General Insurance respectively. The group has a record of rapid growth and is planning for substantial future development. As a result the group now needs to recruit two qualified accountants to contribute directly to its profitability and efficiency.

Investment Accountant

Trident Life's planned growth and restructuring have created a need for a qualified accountant to assume responsibility for the administration and accounting for the company's portfolio of investments, worth about £250m. Aged up to 30, the person appointed will be energetic and adaptable, with the self motivation and drive to lead a key department of nine people. Experience of working in a financial institution is desirable but more important are flexibility, technical competence and an interest in this dynamic sector.

Manager– Control and Statistics

As a result of a recent promotion, **Trident General** seeks a qualified Chartered Accountant to take full responsibility for the integrity of its control systems, both manual and computerised. Reporting to the Financial Director you will be responsible for implementing as well as identifying improvements. You will also be involved in budgeting, planning and interpretation of statistics. This will be achieved by working closely with the company's operations personnel and with the assistance of three staff.

You should currently be working with an international firm of accountants, with two to three years' POE.

As the two people appointed will contribute directly to the cost effectiveness and profitability of the group, they will have a high level of exposure to senior management.

Please reply in confidence giving concise career and personal details and quoting Ref. ER680/FT to H.F. Male, Executive Selection.

Arthur Young McClelland Moores & Co., Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young McClelland Moores & Co.

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Business Development/Project Appraisal

Young Graduate Accountant

Age 25-30 | **up to £16,000 + benefits** | **West Midlands**

Our client, a multinational industrial group, is presently fulfilling an impressive policy of expansion. An essential role in this process of growth is being played by the small team that makes up the Project Appraisal Section. Reporting to the main board, this Section reviews the large scale capital expenditure proposals within an annual capital investment of around £100m, and major contracts and joint ventures undertaken worldwide.

The assessment of the viability of these major projects requires detailed investigation and discussion at the highest level. An opportunity has arisen for a young graduate accountant to join the team. Candidates should have gained broad experience in their careers to date and must be able to demonstrate a high intellect, good communication skills and good business judgement. The post could represent an excellent introduction to industry for an ACA wishing to leave the profession but we will readily consider candidates who already have commercial experience.

Our client is offering an attractive salary and a range of large company benefits along with a generous relocation package.

Please apply to Anthony Jones, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London, WC2A 1EG, tel: 01-242 5775.

Career plan LIMITED

Personnel Consultants

Finance Director (Designate)

London EC1 | **c£22,000 + car**

Our client, a privately owned company, is a world leader in the manufacture of professional audio equipment. Unprecedented growth and expansion in this rapidly accelerating world of high technology is leading to an anticipated annual turnover of £9 million this year. With subsidiaries overseas, approximately 90% of their business is in the export market and in 1979 they received the Queens Award for Industry. Flotation on the USM is anticipated in the foreseeable future.

The company now seeks an executive to head the total finance function and assume directorship status in the short term.

Candidates aged 28–32, should be qualified Accountants with previous exposure to a progressive manufacturing environment. Reporting to the Managing Director you will be working within a highly professional team; technical expertise, ambition and personality are, therefore, essential requirements in order to make an effective contribution to this key position. Excellent prospects exist within this enterprising company and the highly attractive remuneration package includes a company car.

Candidates should write to Philip Cartwright, ACMA, Executive Division, enclosing a comprehensive curriculum vitae, quoting ref. 999, at 31 Southampton Row, London WC1B 5HY.

MP

Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

New opportunity within a major group...

COMPUTER AUDIT

Bristol | **£15,000 + car**

This is an ideal opportunity to join a progressive and successful international group.

Reporting to the Head of Internal Audit, the successful candidate will be responsible for conducting comprehensive operational audits of the computer installations within the group, as well as reviewing and modifying the existing financial and operating computer applications. Further responsibilities will be for the reviewing of all relevant areas and phases of systems development and design in accordance with internal control procedures.

This position will involve a significant amount of travel within the UK and also overseas.

Candidates for this appointment will be qualified accountants who have a minimum of two years computer audit experience gained either in public practice, commerce or industry.

Written applications enclosing career details should be forwarded, in the strictest confidence to Robert N. Collier or Catherine Harrold, B.A. (Cantab.) at our London address quoting reference number 4417.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

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Project Accountant Publishing

£13,500 – £15,000

A well known and respected publishing organisation, our London based client has a turnover of £100 million. The company is currently implementing computer systems designed to improve the efficiency of both financial reporting and business management.

Reporting to the Controller, the Accountant will be involved in information systems development from systems concept through design to implementation and operation. He or she will work closely with data processing and various user departments and will necessarily have considerable exposure to senior management. The position requires considerable inter-personal skills and has excellent promotion prospects.

Applicants should be recently qualified accountants from the profession or industry. Experience in systems development would be an advantage but is not essential.

Please telephone or write to David Hogg FCA, quoting reference I/2196.

EMA Management Personnel Ltd.
Halton House, 20/23 Holborn, London EC1N 2JD.
Telephone: 01-242 7773 (24 hour).

FINANCE MANAGER

c. £15,500

A major London housing association with some 3,500 homes under management and a development programme providing about 200 homes a year requires a Finance Manager. The association is a registered charity and works in two inner London boroughs, each with a high degree of housing stress. The association has a revenue budget of over £5 million per annum, and a capital expenditure programme totalling over £11 million. Its assests exceed £60 million.

The Finance Manager is responsible to the Director for the entire finance function of the association which operates with a staff of twelve, and an IBM computer installation. As a member of the management team, the person appointed will have a central role in the overall management of the association.

Applicants should be qualified accountants with at least five years' experience, have good communication and reporting skills, and proven managerial ability.

Closing date: 16th April 1984.

Application form and job description from:

Jane Hemsley
Secretary to the Association
New Islington & Hackney Housing Association
123 Kingsland High Street
London E8 2PB

Telephone 01-254 1272

New Islington & Hackney Housing Association

Enterprise Oil

Financial Controller

Enterprise Oil is a newly formed British company which is poised to become an active participant in oil exploration on and offshore both in the UK and overseas.

Reporting to the Financial Director, you will be qualified with several years proven experience in the oil industry. Your major functions will be to develop the financial, budgeting and related accounting systems and to ensure the integrity of the financial procedures of the company, including control over reported earnings and accounting information. This will require the ability to liaise with financial, operating and exploration areas of the company.

Based in the new London offices, you will have the rare opportunity to be part of the birth and development of the financial division of the company. The salary, which is negotiable, will be commensurate with this challenging position.

If you are interested in this exciting new development I would be pleased to hear from you.

Please ring or write with C.V. to Derek Cox of Cripps, Sears & Associates Ltd., (Personnel Consultants), 88/89 High Holborn, London WC1V 6LH. Telephone 01-404 5701.

Cripps, Sears

Finance Manager–Accounts

West of London | **c£16,000**

Our client is a specialist division of a worldwide manufacturing company. Due to re-organisation, they currently require a Chartered Accountant to effectively manage the central accounting system.

Reporting to the Financial Controller, the appointee will head a small team with the following key responsibilities:

- ★ Accurate periodical/annual reporting.
- ★ Maintenance of comprehensive records.
- ★ Consolidation and reconciliation of annual/medium term plans.
- ★ Preparation and monitoring of administration budgets.

The successful candidate, possibly from the profession, will be expected to maintain the high standards of the group's accounting policies. (Age indicator 27–30).

Man-management/P.R. skills, technical ability and accounting expertise are all essential requirements. Commercially minded individuals who are able to work under pressure and have the determination to succeed will find the role both challenging and rewarding.

Candidates should write to Philip Cartwright, ACMA, Executive Division, enclosing a comprehensive curriculum vitae, quoting ref. 101, at PO Box 143, 31 Southampton Row, London WC1B 5HY.

MP

Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Engineering and Works Services

PRINCIPAL FINANCE OFFICER

£14,916 - £15,900 pa incl.

This key management position heads the finance group within the Council's Engineering and Works Department. It offers an excellent opportunity for a practical accountant to work closely with operational staff and to make a positive contribution to services where annual revenue expenditure is £15m. The management style will suit someone who is energetic, committed and resourceful. The workload is varied and demanding: you will be the local financial expert and manage a staff of 40 engaged in accountancy and purchasing functions, central stores and the control of a trade refuse collection business. You should be a qualified accountant with proven organisational and communications abilities.

The Royal Borough of KENSINGTON AND CHELSEA

Application forms quoting Ref. FT745X from the Personnel Service, The Town Hall, Hornton Street, London W8 7NX. Tel. 01-937 8562 (24-hour answering service).

Closing date for applications 30th March 1984.

WE ARE AN EQUAL OPPORTUNITIES EMPLOYER

Financial Controller

director designate

Cambridgeshire | *c.£20,000+car*

Our client, a major grower and packer of fresh vegetables supplying the national supermarket chains, wishes to appoint an experienced accountant who will take responsibility for the finance and accounting function.

The successful candidate will ensure the provision of an efficient and effective accounting service. Within that, major priorities will include the development and implementation of comprehensive, computerised management information reports; the further development of existing computer based costing systems and assisting in the maximisation of the organisation's commercial potential.

Candidates should be qualified accountants with significant experience at a senior managerial level, ideally within the agricultural industry. In addition to well developed accounting skills, candidates should have direct experience of computer based financial and management accounting systems. The personal qualities sought will include the capacity to make a positive contribution as a member of the organisation's senior management; effective communication skills and a willingness to set and to work to the highest professional standards.

In addition to an attractive remuneration package which will reflect the importance of this position, our client offers the prospect of a challenging senior role within a progressive organisation. If necessary, assistance with relocation to this pleasant part of East Anglia will be given.

Please apply by writing with a full CV to Gavin Adam, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY. Please quote reference MCS/4004.

Price Waterhouse Associates

Accountancy Appointments

TAXATION SPECIALISTS

£15,000 — £20,000+

We are currently retained by several clients wishing to fill tax vacancies within their organisations providing excellent opportunities for good tax specialists whatever their background. Very brief details are provided on three of these positions, but full information on these and other appointments may be obtained by contacting Richard Norman, FCA on 01 836 9501.

TAX CONSULTANCY — West Country — to £15,000

Varied and interesting work with an international firm of Chartered Accountants. An unusual opportunity to gain quality of life without sacrificing job satisfaction.

TAX MANAGER — Central London — c. £20,000

Liaising with the finance manager to take responsibility for the whole of the taxation for a small but dynamic oil company.

UK TAX MANAGER — W. Home Counties — c. £15,000+car

To join a major North American company having a diverse range of high technological activities throughout Europe and the United Kingdom.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management
Recruitment Consultants
DLA

Outstanding opportunity for an ambitious

YOUNG FINANCIAL MANAGER

Berkshire **to £18,000 + Bonus**

Our client is a fast growing marketing and manufacturing division of a major blue chip group. They are recognised leaders in their field and enjoy a reputation for professional management and product excellence. Due to continuing expansion the company now wishes to appoint an accountant to strengthen its financial team.

Candidates should be graduate, qualified accountants, (ACA, ACMA, ACCA) aged 26-32, with experience gained in an industrial/commercial environment, who are seeking to progress their careers rapidly.

This is an exceptional opportunity to assume systems development and financial control responsibilities in a dynamic operating environment. The role is broadly based, and will involve not only line management but also considerable exposure at director level.

Career prospects are excellent and the salary is backed by generous benefits, including relocation assistance where required.

For further details and a personal history form please telephone: Judith Richardson on 01-836 9501 or write to *Douglas Llambias Associates at our London address quoting reference number 4426.*

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management
Recruitment Consultants
DLA

Hawley Group PLC

QUALIFIED ACCOUNTANTS

Hawley is a rapidly expanding International Group concentrating its activities in service based industries including building cleaning, maintenance and protection, home improvements, travel and financial services.

The group now wishes to strengthen its financial and investigation teams and requires a number of Qualified Accountants both in the United Kingdom and North America.

The successful applicants will be ambitious, creative and prepared to work under pressure in a challenging environment while maintaining the highest professional standards.

Remuneration is fully negotiable to attract candidates of the necessary calibre.

Applications enclosing a concise C.V. and not exceeding two pages should be sent to the Financial Director, Hawley Group PLC, Prospect House, The Broadway, Farnham Common, Berkshire SL2 3PQ.

Financial Director

Glasgow **around £22,500 + bonus + car**

As a result of re-organisation, our client, a large division of a major U.K. group, has identified the need for a Financial Director for one of its principal subsidiary companies located in Glasgow. Initially the successful candidate will spend several months in the Home Counties familiarising himself/herself with the division's operations before transferring to Glasgow. The position will appeal to a qualified accountant, preferably Chartered, aged 30-35, who has an above average technical background. Generous assistance will be given with relocation or subsistence expenses. Ref. 1304/FT. Write or telephone for an application form, or send full details to: R.P. Carpenter, FCA, FCMA, ACIS, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156. (24 hours).

Phillips & Carpenter
Selection Consultants

ACCOUNTANCY APPOINTMENTS APPEAR EVERY THURSDAY
Rate £34.50 per single column centimetre

CHIEF ACCOUNTANT

SUTTON, SURREY **c.£20,000**

Business Press International Limited is the UK's foremost publisher of business and specialist periodicals. It has a well-established record of growth and profitability with, currently, a turnover well in excess of £100 milion and over 3,000 employees. Due to the imminent retirement of its chief accountant, the company now needs to recruit his replacement.

This position carries responsibility for over 150 accounting staff and the total statutory and group reporting function.

The ideal candidate will have a proven record of success in managing a large department, will be an effective communicator and have experience with trade union representation. His/her personal qualities will include diplomacy and the strength of personality to succeed in a truly diverse company. Against this background achievement of the highest standard of financial reporting and accounting systems will be expected. In return, we offer a highly-competitive salary and a range of fringe benefits appropriate to a large company.

Applicants should be professionally qualified accountants, aged 30-45. Relocation assistance will be paid where appropriate.

Please write enclosing C.V. and daytime telephone number to:

A. Y. K. Huang, Financial Controller, Room 702, Quadrant House, The Quadrant, Sutton, Surrey SM2 5AS.

Business Press International is an equal opportunities employer.

BUSINESS PRESS INTERNATIONAL LTD
THE LARGEST COMPLEX OF BUSINESS AND SPECIALIST PUBLICATIONS IN THE WORLD

FINANCIAL DIRECTOR (DESIGNATE)

C. £20,000 + CAR

PROPERTY DEVELOPMENT **MAIDSTONE/LONDON**

The Isis Group is a financially orientated group of companies operating in the fields of equipment hire and distribution, construction and property development. The property division incorporates a number of wholly-owned subsidiaries, together with a number of joint-venture projects. Due to a significant growth in these activities, we now seek an exceptionally able Financial Manager to strengthen further a forward-looking management team.

The successful applicant, who will be appointed to the property division board within 12 months, will report to the Managing Director and be responsible for all aspects of the financial control and planning, including management accounts, financial accounts, forecasts and financial plans for this key sector of the business.

Candidates, male or female, and preferably graduate chartered accountants, must be able to provide evidence of outstanding career achievements in commerce or industry, which will certainly include previous experience of property development. This is a front-line position which will require initiative, imagination, self-confidence and drive in addition to first-class technical ability and a strong commercial sense.

Starting salary will be negotiable based on previous experience. A company car will be provided and, in addition to the other usual fringe benefits, assistance with relocation will be given where appropriate.

Please write giving brief details of qualifications and experience to date, or telephone for an application form to:

ISIS
Alan J. Webber, Personnel Manager
ISIS INDUSTRIAL SERVICES PLC
Stratton Road, Swindon, Wiltshire SN1 2PT
Telephone 0793 28233

BSC Computer Auditor

Leicester **£13,500 + Car**

Our client, the British Shoe Corporation, is the Country's leading footwear retail and manufacturing organisation, employing over 30,000 staff throughout the UK. It is a wholly owned subsidiary of the highly successful and profitable Sears Holdings Group.

The scope of BSC's activities throughout the UK demands the strength and support of high calibre financial management and their current requirement is for a computer audit specialist.

The Company is committed to a substantial computer systems development programme and has recently opened a new purpose built computer centre which houses an IBM 3081/3 installation.

It is anticipated that the successful applicant will have had at least 2 year's experience in this field to enable him/her to make an early contribution to the appraisal of new and existing operational procedures.

The attractive remuneration package includes generous relocation expenses where appropriate.

Interested applicants should write to **Andrew Farr at Michael Page Partnership, 24 Bennetts Hill, Birmingham B2 5QP**, quoting ref: B6151 or telephone him on **021-643 6255** for further details.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

COMMERCIAL ACCOUNTANT

This is an opportunity to join Fine Fare, a subsidiary of Associated British Foods, and one of the leading supermarket companies, with an annual turnover of around one billion pounds and a reputation of being an *innovator in food retailing.*

Based at our Head Office in Welwyn Garden City, you will report to the Financial Controller. Your major objective will be to provide an efficient accounting service for *our 550 retail branches, through the* effective management of five departments, with a total staff complement of 180.

You must be robust with the tenacity and resilience to support your credibility at all levels.

Aged 28-40, and preferably qualified, you must have had success in running an accounting function responsible for *processing large volumes of documentation* within a computer-based system. Equally important, you must be capable of making your mark on our commercial accounting efficiency by contributing to the design and *implementation of associated systems.*

The rewards will include a salary of up to £16,000 p.a., B.U.P.A. and re-location assistance if necessary. Above all you will have the opportunity to advance your career *within a progressive environment and* to enjoy the benefits of Fine Fare's continued expansion.

If this is a position that appeals to you, write, giving full details of your career to date to: G.F. Couch, Personnel Director, Fine Fare Ltd., Gate House, Fretherne Road, Welwyn Garden City, Herts. AL8 6NR. Telephone: Welwyn Garden (96) 28140.

FINE FARE
Helping you to better opportunities

Management Consultancy

North of England

£15–25,000 + bens.

We are currently recruiting for a major Management Consultancy practice. *Constantly increasing demand for their services* necessitates the recruitment of additional consultants in the North West and Yorkshire regions.

They wish to hear from **experienced consultants** who are seeking rapid advancement with medium-term partnership prospects, or **young Accountants** wishing to move into this dynamic and challenging sphere.

The successful candidates will be qualified Accountants, of graduate intellect, who can demonstrate an in-depth understanding of the relationship between profitability and the utilisation of sophisticated financial control techniques across a broad range of business environments.

Interested applicants should contact:–

Alan Dickinson
Faulkner House,
Faulkner Street,
Manchester M1 4DY.
Tel: 061-228 0396

Richard Robinson
13/14 Park Place,
Leeds,
LS1 2SJ.
Tel: 0532-450212

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Corporate Review and Analysis

Netherlands **to £18,000**

Our client is a major communications group with an impressive expansion record. Growth and development necessitates the recruitment of two high calibre accountants to join a young and dynamic team. The roles incorporate the financial and operational review function, plus various ad hoc assignments throughout Europe. Consequently the travel content will be 50%.

Applicants, qualified and part qualified, should ideally have had a minimum of two years' experience in a reputed professional firm and possess the ambition and flexibility required for these challenging positions. Excellent interpersonal skills are essential together with fluency in at least one European language.

For career minded individuals, good prospects exist in the medium term and an attractive salary package is offered relative to qualifications and experience.

Interested applicants should contact **Stephen Burke** on 01-831-0431 at Michael Page International, Sicilian House, Sicilian Avenue, London WC1A 2QH, quoting ref. SB/483/FT.

MP
Michael Page International
Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Accountancy Appointments

Combine line management with project responsibility...

– Financial Services –

South East **c£16,000+benefits+relocation**

Our client, a very well known UK financial services company, is an established market leader in its field. A period of continuous growth has necessitated the recruitment of a further qualified Accountant to act as an integral member of the financial management team.

The position involves line responsibility for the financial accounting function, with considerable further responsibility for ad hoc financial assignments and systems project development.

Candidates should be aged 28+ with either management experience in the profession or commercial experience in a sophisticated, computerised accounting environment. Sound interpersonal skills are essential as considerable emphasis is placed on senior level lines of communication.

Applicants possessing the relevant experience, should write enclosing a full C.V. to **Roger Tipple, MA,** Banking and Finance Division, Michael Page Partnership, Sicilian House, Sicilian Avenue, London WC1A 2QH quoting reference 3362, or phone 01-242 0695 for an informal discussion of this interesting vacancy.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

HERON

Financial Director

Avon **c£20,000+Car**

Heron Corporation is one of Britain's largest privately-owned and most diverse groups, which has consistently grown since 1965, both organically and by acquisition. Our client, Heron Homes is a £35 million t/o division and it now seeks a high calibre Financial Director.

Candidates will ideally be Chartered Accountants in their mid-30's with previous experience in the house building/service industry environment. It is likely that the successful applicant will be currently working as a divisional Chief Accountant/Financial Controller within a major group.

Participating at divisional board level, the successful candidate will be responsible for the administration of the finance function. Meaningful contribution to profitability and growth are key to the successful fulfilment of this role.

As a consequence, numerate skills are not enough; the successful applicant must also demonstrate commercial acumen and a proven decision making capability within a comparable business environment.

Candidates should write, enclosing a comprehensive curriculum vitae to **Adrian Wheale, ACMA, ACIS** at **24 Bennetts Hill, Birmingham B2 5QP.** Please quote ref. B6150.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Our client is a major division of Hanson Trust PLC, one of the largest and most rapidly expanding UK groups with a combined turnover approaching £2,000m. As a result of a major reorganisation, the following three vacancies have been created at operating company level.

Financial Controller

Southampton **around £17,500 + bonus + car**

Reporting to the Financial Director, the candidate appointed will be responsible for all aspects of the finance function of a highly successful international subsidiary (T/O £150m). Working closely with senior management, he/she must have a commitment to high professional standards and the achievement of tight reporting deadlines, within a multi-currency environment. Applicants must be qualified accountants, preferably Chartered, aged around 30. Retail experience would be an advantage. Ref. 1299/FT.

Recently Qualified

Home Counties **around £15,000**

Chartered Accountants, male/female, preferably with a degree, who are seeking to make their first move into commerce, will find that the fast-moving world of Hanson Trust offers opportunities rarely encountered within a single organisation. The two vacancies initially will involve working closely with the Financial Director of this division's major subsidiary company (T/O £180m) on a variety of assignments, designed to acquaint the successful candidates with all aspects of the company's operations prior to assuming line financial responsibility within twelve months. Ref. 1300/FT.

Write or telephone for an application form, quoting the relevant reference number, or send full details to R.P. Carpenter, FCA, FCMA, ACIS, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156. (24 hours).

Phillips & Carpenter
Selection Consultants

Mktg. Accountant
£15,000 + Car

Our client, a highly successful FMCG group is poised for further substantial growth. They now have an excellent opportunity for an ambitious qualified chartered accountant, who will be a key member of a small team responsible for the evaluation of financial performance, the production and interpretation of forecasts and preparation and analysis of sales and marketing plans.

Aged 25-30, you must be adaptable, commercially aware and have the ambition and desire to succeed in a company that can offer excellent career promotion and remuneration prospects. W. London Ref. 7515

Financial Analyst
c.£13,000 + Car

This exciting opportunity has arisen in a high growth computer manufacturing group with fast expanding markets throughout Europe.

Visiting and working closely with senior business managers in France, Italy and Belgium you will be responsible for sales and marketing plans, cash management and foreign exchange forecasting.

A graduate newly qualified (ACA/ICMA) accountant you should have sound accounting and analytical skills combined with the ambition to move into a line management role within two years. W. London Ref. 7752

Controllership Potential
c.£13 – £15,000 + Benefits

High job satisfaction is undoubtedly one incentive offered by this progressive and dynamic Hi-Tech company.

Liaising at director level you will have responsibility for managing the financial affairs of the group, advising on commercial and financial matters and providing meaningful management information.

Ideal candidates (25-35) will have professional or commercial experience, sound technical skills, a flair for innovation and the desire to succeed within a rapidly expanding company. *London Ref. 7751*

Corporate Finance
£14,000 + Mortgage

One of the leading merchant banks currently requires a young qualified accountant for a challenging role within a high pressure environment. Trained in acquisitions, mergers, business development and corporate finance your ability to deal with client's senior management is essential.

This key position provides the perfect platform for a banking career and will require drive, initiative and the ambition to succeed. City Ref. 7698

Lloyd Chapman Associates
123, New Bond Street, London W1Y 0HR 01-499 7761

Financial controller

S. Yorkshire, c £18,000 + car

C&L

Successful and continuing to expand, the company produces and distributes a range of high quality chilled foods and canned products. Current turnover exceeds £20 million.

Responsible to the Managing Director you will play a key role in the profitable expansion of the business by the further development of computer based information and control systems. Routine accounting is under good management and so your main thrust will be commercial—business planning, squeezing costs, investigating product pricing and providing financial information prior to contract negotiation.

Probably under 35, you must be qualified, at ease with standard costs and computer systems development, and combine a high level of initiative and energy with a background in manufacturing industry.

Please write enclosing a curriculum vitae and daytime telephone number to David Britton, Executive Selection Division, Ref. B178.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Scottish Mutual House Park Row
Leeds LS1 5JG

REUTERS

Financial Management

Central London **around £18,000**

As a result of internal promotion a vacancy has arisen in the European finance business analysis section for a self-motivated, qualified accountant, who (supported by a small staff) will be responsible for providing senior management with high quality analytical financial information to assist in business planning and control. Our Client is a world leader in the provision of information services to the media and the financial community and is UK based with establishments in over 70 countries and a rapidly increasing turnover. Working closely with senior technical and marketing management the successful candidate will be expected to display a high aptitude in the use of micro computer system applications and will be given every opportunity to progress within the Group. Applicants (male/female) aged late 20's must have already gained commercial experience in a fast moving business environment. Ref. 1301/FT. Write or telephone for an application form, or send full details to R.P. Carpenter, FCA, FCMA, ACIS, 2-5 Old Bond Street, London W1X 3TB. Tel: 01-493 0156 (24 hours).

Phillips & Carpenter
Selection Consultants

Newly Qualified Accountant

West End **c £15,000**

Our client is a well known public group with an excellent background of growth and profitability. Due to foreseeable expansion and further acquisition plans, they are currently in a position to offer outstanding opportunities to two newly-qualified graduate accountants. Ideal candidates are likely to be ACAs for one of the Big 8 or ACMAs with f.m.c.g. backgrounds.

As part of their development, successful applicants will be required to undertake substantial roles in both the Corporate Finance Department and within the operating divisions. It is envisaged that those with proven ability will progress quickly to more senior appointments within the group.

Commercial minded individuals with a good academic record, flexibility and an intelligent approach are all essential requirements for these challenging positions. Candidates will be offered an attractive remuneration package including a significant performance related bonus.

Candidates should write, enclosing a comprehensive curriculum vitae to Nigel Hopkins, FCA, quoting ref 994, at P.O. Box 143, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Consultant Accountants

London, Midlands, NW.
c£20,000 + car

A major international practice seeks practical qualified accountants for its generalist industrial consulting team. They will cover MIS review and development, cost, pricing and profit studies, business and market strategy and product development. The vacancies arise from current and forecast growth.

Candidates must be qualified accountants aged 26-35 preferably graduates, with experience in demanding industrial environments, systems development exposure and some evidence of above average achievement. Heading specialist functions in a large group would be more relevant than being a generalist in small companies.

For full job description write in confidence to Mark Lockett at JC&P, Selection Consultants, 104 Marylebone Lane, London W1M 5FU, showing clearly how you meet our client's requirements, quoting 7146/FT. Both men and women may apply.

JC&P
John Courtis and Partners

Chief Accountant

International Banking **From £18,000 + car**

A German bank is seeking a young Chartered Accountant with sound knowledge of bank accounting gained either in the profession or with an international bank to develop and manage the computerised accounting and information systems of its expanding London branch.

This key position requires the ability to motivate staff and qualities of enthusiasm and initiative. In addition to regular reporting procedures the appointee will take responsibility for a number of special projects, offering interest and challenge to the right candidate.

The remuneration package for the position is fully negotiable to attract candidates with the requisite experience.

Please write in confidence, quoting reference 5959/L, enclosing career details and illustrating your banking experience, to N.P. Halsey, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria St., Blackfriars, London EC4V 3PD.

PEAT MARWICK

Taxation Manager

National Freight Company Limited, Bedford

The NFC, since its much-publicised employee buy-out in 1982, has moved from strength to strength. It now has a turnover of £500m and employs 23,000 people in a variety of transport-related activities, both at home and abroad. Instantly recognisable names include, British Road Services, National Carriers, Roadline and Pickfords.

The Taxation Manager will be responsible to the Senior Financial Executive for the development of a corporate tax function. The tax planning and strategy and liaison with senior board members, external auditors, tax advisers and tax authorities will be key elements of the role.

Applications will be tax professionals, preferably formally qualified, having some commercial experience and extensive knowledge of corporate taxation. However, enthusiasm, commitment an outgoing personality and the ability to communicate effectively at all levels, are equally important requirements in the ideal candidate.

The remuneration package is negotiable over £17,000. There is also an excellent benefits package and in view of the nature of the post a company car will be provided.

To find out more about this interesting opportunity telephone: Mrs. E. A. Toogood, Personnel Manager, National Freight Company Limited, The Merton Centre, 45 St. Peter's Street, Bedford MK40 2UB. (0234) 67444 extension 295.

NFC

FINANCE DIRECTOR

Wiltshire **c£25,000+**

Broad based group – U.K. and U.S.A.

Applicants must:

- ★ Have professional qualifications – FCA, FCCA.
- ★ Have at least 5 years commercial experience.
- ★ Have imagination, ability to communicate at all levels.
- ★ Have strong personality and ambition.
- ★ Have the gift to relate figures to business reality and to maximise resources and profits.

Marketing organisation/service industry background preferable.

bhf

Reply in confidence to:
Anne Knell
Binder Hamlyn Fry & Co
Management Consultants
8 St Bride Street, London EC4A 4DA.
Tel: 01 353 3020

FINANCIAL MANAGER

FAMOUS RECREATIONAL FACILITY

The West Midland Safari and Leisure Park seeks an energetic accountant to take charge of all aspects of the park's financial control and reporting. The Financial Manager will be responsible for the design and installation of computer-based accounting systems and for monitoring the financial performance of all aspects of the park's business. The park is located on 225 acres near Bewdley, Worcestershire, and operates amusement arcades and shops as well as welcoming over 400,000 visitors each year.

Accommodation is available in the park for either a married or single candidate. The park is open approximately eight months of the year, allowing for generous holiday benefits.

A competitive salary and benefit package will be offered to a suitable candidate.

Please reply in confidence to:

Mr John McFadden, Sidley and Austin
31 St. James's Square, London, SW1

Accountancy Appointments

Enterprise Oil
TREASURER

Enterprise Oil is a newly formed British company which is poised to become an active participant in oil exploration on and offshore both in the UK and overseas.

To support this new venture the finance division is forming a high calibre team which will be fully responsive to these new challenges.

Reporting to the Financial Director, you have substantial North Sea oil industry experience which includes exposure in oil financing, international currencies and overall management of substantial cash flows. Responsible for all Treasury aspects of the company's cash profile and experienced financially, you will have significant flair and the ability to identify and maximise the exceptional opportunity offered.

The salary, which is negotiable, will be commensurate with this challenging position.

If you are interested in this exciting new development I would be pleased to hear from you.

Please ring or write with C.V. to Derek Cox of Cripps, Sears & Associates Ltd., (Personnel Consultants), 88/89 High Holborn, London WC1V 6LH. Telephone 01-404 5701.

Cripps, Sears

Young Qualified Accountant

City of London c.£15,200

Internal promotions have led to a vacancy *for a young qualified accountant within* Midland Bank's Group Finance Division.

The main duties of this position will be dealing with assignments of a 'one-off' financial problem solving nature, and involvement in the capital management of the Group.

In addition to the quoted salary, the Bank provides a non-contributory pension scheme, a profit sharing scheme and other fringe benefits, including house mortgage facilities.

Applications, enclosing a comprehensive curriculum vitae, should be sent to:–

N. Jefferis Esq., Head Office Personnel Manager (London), Personnel Division, Midland Bank plc, Poultry, London, EC2P 2BX.

Midland Bank

FINANCIAL DIRECTOR
(Designate)

RETAIL DISTRIBUTION

West Yorkshire c £23,000 neg + car etc.

Our client operates a successful chain of retail stores throughout the North of England. The company is profitable and turnover is growing rapidly to £30M.

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ENERGY REVIEW

How Britain's muck can save fuel and make money

By Maurice Samuelson

AN EAR-SPLITTING "drum roll" on dustbin lids was the signal last month for the launch of a European campaign to use more urban refuse as fuel instead of burying it in holes.

It took place in the shadow of London's Battersea power station which, although no longer producing electricity, still pipes hot water under the River Thames for central heating in Pimlico.

When the dustbins fell silent, Lord Avon, Parliamentary Under-Secretary in the Energy Department, switched on an auxiliary boiler fired by refuse derived fuel (RDF) in the form of hard, cigar-shaped pellets.

In a less parliamentary gesture, Mr Peter Rost, Conservative MP for Erewash and a veteran member of the Commons Select Committee on Energy, disguised himself as a dustman and shovelled copies of Hansard containing his own speeches into the waste-burning boiler.

For the assembled audience of local and central Government officials, waste disposal experts and others, this gimmicky ceremony marked the "coming out" of RDF as a potential substitute for oil as an industrial fuel.

"If the whole of the EEC were to recover the same proportion of energy from its rubbish as Denmark does—it burns 75 per cent of its refuse—the saving would correspond to the output of 17 nuclear power stations of 1,000 Megawatts capacity," say the campaign organisers.

In Britain, however, with some 30m tonnes a year of domestic, commercial and industrial refuse, only 2.5m tonnes are incinerated and only 800,000 tonnes—less than 2 per cent of total refuse—are burned in heat recovering plants.

Dr George Ader, a consultant to the Government's energy technical support unit (ETSU), regards this as an unnecessary waste of resources. He calculates the potential fuel value of total UK refuse as equivalent to 12m tonnes of coal a year, or 22 per cent of all the oil and gas used by industry.

He estimates that by 1995 10 per cent of the UK's industrial fuel could be replaced by refuse derived fuel on an economic basis. "In refuse we have possibly the most significant and certainly the most readily available alternative energy resource in this country," he says.

Some 30 per cent of the contents of the average dustbin consist of paper and board; 6 per cent of plastics, 10 per cent of glass, 7 per cent of ferrous metal; 18-20 per cent of food and a certain amount of ash, which varies from one part of the country to another.

Most of the refuse used as fuel in Britain is burned at the four mass incinerators built since the war. The biggest, run by the Greater London Council at Edmonton, burns 400,000 tons a year of refuse, and feeds electricity into the grid. Although it has had its troubles, the proceeds of its electricity sales mean that the refuse is being disposed of at about £11 a tonne, compared with the estimated £17 a tonne which it costs to transfer refuse by rail to the Bedfordshire brick fields or other sites in Oxfordshire and Buckinghamshire.

Peter Rost MP, dressed as a dustman, demonstrates the calorific value of his own parliamentary speeches in a fuel-from-refuse trial at Battersea Power Station.

Last year's Energy Act, breaking the State monopoly on power generation, is inspiring other schemes, such as the proposed combined heat and power station at Corby, Northants, which would be fuelled by refuse brought by rail from other parts of the country.

In London, waste would be burned in disused Thames-side power stations under a plan favoured by various groups, including a consortium led by Taylor-Woodrow and Babcock Power. The Greater London Council would provide the waste and the heat would be used for district heating.

Another member of the consortium is Associated Heat Services (AHS), which services boilers on 2,000 sites throughout the country.

The company is in the forefront of the move to promote use of RDF—it provided the mobile boiler used at the Battersea Power Station ceremony.

However, although incinerators account for most of the refuse used as fuel in the UK, they are hampered by their high operating costs.

The main developments in using waste as fuel are likely to take place in the way it is refined for use in industrial and commercial boilers instead of coal or oil.

Two distinct kinds of RDF have been developed to meet this growing market. The first, called "floc" or "fluff," converts the refuse into a downy material which can be blown into boilers. The second method is to pelletise the waste.

The pellets are intended for burning on existing solid fuel stokers or in the increasingly common fluidised bed combustors. Much of the technology and equipment for extruding them has been transferred directly from the animal feed industry, although their handling properties are very different from those of foodstuffs.

Pelletisation is the one area of waste processing in which Britain has a technical lead over other countries. Ironically, this has come about, not from the quest for alternative fuels, but as a result of the environmentalist drive for resource recovery which began in the 1960s.

At that time, the British Government's Warren Spring laboratory, at Stevenage, Herts, launched a programme of research into methods of waste recovery with the blessing of the Environment Department.

It led to the building of a large demonstration plant at Doncaster costing more than £3m. However, this has proved a white elephant for the purposes of resource recovery and has had to be drastically modified to upgrade its fuel production capacity. Even so the local authority has persistently failed to run it as economically as the designs claim they should.

The Environment Department also helped to finance a plant at Byker, Tyne and Wear, for making fuel pellets for a nearby district heating scheme, run by the Newcastle upon Tyne city authorities.

Commissioned in 1979, the plant has an unfortunate habit of blowing up when shredding volatile objects like discarded cans of paint thinner. It has been closed for long periods and is now being fitted with explosion-proof doors.

The Swiss engineering company of Bühler Miag provided the equipment and know-how for Britain's third pioneer pelletiser, at Eastbourne. In addition to providing fuel for the power station at Shoreham, its pellets are also being offered to the commercial and domestic markets.

Despite the difficulties at these plants, they have helped to whet a growing appetite in industry RDF pellets and to convince other local authorities that this can be a worthwhile method of refuse treatment.

The County Councils of Merseyside and West Midlands have both decided to build plants designed primarily to make cheap pellets, with glass and metal being reclaimed only as by-products.

The Merseyside plant, at Huyton, will be run at arms' length by the Council by a specially formed subsidiary of its economic development company.

Its first phase will convert 62,000 tonnes of refuse a year into 20,000 tonnes of pellets, which AHS has contracted to purchase and use on its own installations. It is expected to become profitable when the output is doubled.

AVAILABLE REFUSE IN U.K.
(m tonnes a year)

	Domestic	Commercial	Industrial	Total
Greater London Council	2.0	1.5	1.0	4.5
Other Metropolitan counties	3.0	1.5	2.5	7.5
All other counties (incl. Wales and Scotland)	9.0	4.0	4.5	17.5
Total	14.0	7.0	8.0	29.0
Coal equivalent (m tonnes)	3.0	4.5	5.0	12.5

Source: Dr G. Ader

SCOPE FOR RDF IN U.K.

	Within 5-7 years (m tonnes)	Within 10-15 years (m tonnes)
Refuse processed to usable RDF	10.0	22.0
Proportion of available refuse	(33%)	(71%)
Energy recoverable from RDF (coal equivalent)	3.5	7.5
Possible additional demand for coal	1.0	2.5

Source: Dr G. Ader

The pelletising of refuse has also taken off in other countries. France has three plants and is planning to build three more. There are other plants in Holland, West Germany and Sweden.

The economics of such plants depend not only on their efficiency, and the state of the solid fuel market, but on the local authorities' refuse disposal costs. In Britain these can vary from as little as £2 a tonne for landfilling in rural areas, to more than £15 per tonne in metropolitan areas, where the incentive to build them is highest.

According to Dr Ader, the easiest way of assessing RDF's market potential is to compare its cost with that of other fuels in terms of heat content. Coal is currently bought by medium to large industrial users at 20p to 22p per therm; and gas at 27p to 30p per therm.

This compares with about 14p per therm at which pellets could be sold—and as little as 6p to 10p for floc. This is without deducting the saving which accrues to the local authority through not having to dispose of the refuse by tipping it.

The whole field is currently overshadowed by the Government's plans to abolish metropolitan counties.

But the developments at Merseyside and West Midlands, and the interest being shown elsewhere, suggests that this new industry is developing a momentum of its own giving a new meaning to the dictum that "where there's muck there's brass."

International Appointments

THE ARTS

Palestrina/Berlin State Opera

Andrew Clark

Work ripe for a wider audience

Fifty years after the nationalist movement in German music began to fizzle out, the time for re-assessment has come. The revival has so far been confined to German-speaking lands and seems unlikely to go further afield. *Die tote Stadt* at West Berlin, von Schillings's *Mona Lisa* at Karlsruhe, and Schreker's *Die Gezeichneten* in a concert performance this summer at Salzburg are a few examples of what is on offer, but the case has yet to be made for their long-term return to the repertory. One opera that does, however, demand more sustained international appraisal is *Palestrina* the magnum opus which distinguished Hans Pfitzner's Strasbourg years just before and during the first World War.

It is difficult to react mildly to *Palestrina*. One is either appalled by the work's unnecessary length, its sprawling cast and orchestration, and the reactionary musical language; or intrigued by its rounded dramaturgical structure, its orchestral histrionics and the potential of such a good story for the musical theatre. The new staging at the Berlin State Opera exposes *Palestrina*'s unevenness, but it is sufficiently convincing to suggest the work is ripe for a wider audience.

Indeed it seems just the kind of opera that could exploit the English National Opera's current talents (Abbey Opera gave the British première three years ago).

Palestrina contrasts the inner life of the world-weary 16th century Italian composer with a sharp-witted cameo of the worldly machinations at the Council of Trent, whose colourful debate on church music forms the basis of the central act. Palestrina, who has lost interest in composition, is put under pressure to write an exemplary Mass that will rescue the developing polyphonic forms of church music from the attacks of a reactionary papacy. The *Missa Pappae Marcelli* serves its purpose, but the public acclaim it brings only serves to make its composer more withdrawn.

The almost martyr-like figure of the opera's title role is a character-study of universal appeal, especially in Peter Schreier's moving portrayal. Schreier, who can be heard in the role again at Munich this summer, combines singing of beauty and intelligence with gentleness of manner and an air of integrity. It is an exquisite performance, inspiring the production of Erhard Fischer to its best moments.

This is especially so in the Act 1 climax, where Palestrina's plain Roman drawing-room is transformed into the lonely metaphysical world of the composer's creative reawakening. Palestrina sits transfixed centre-stage, watched and inspired by the serried ranks of angels and composers from the past, with the apparition of his late wife at his side.

This mystical setting was an imaginative reflection of Pfitzner's eerie musical atmosphere—one of several instances where the score suggests the ethos of Palestrina's time without compromising Pfitzner's own very neo-Romantic identity.

Although the use of musical motif, especially in the pompous theme representing the Council of Trent, is an attractive feature of the opera, other post-Wagnerian influences spoil the second act. Pfitzner's own libretto needs a series of hefty cuts; the dramatic impact of the council's arguments, the idiosyncrasies of the various delegations and the horror of the final butchery are watered down by boring stretches of dialogue; the orchestration and melodic material have the air of bad Strauss—clotted, aimless and punctuated by guileless eruptions.

The Berlin production does nothing to alleviate these weaknesses. Otmar Suitner's hesitant musical direction failed to inspire the necessary virtuoso playing in the pit. The cast—with the exception of Fritz Hübner's convincing profile as Cardinal Madruscht—appeared to be searching desperately for their cues. And the stage direction was as banal as the music, lacking any sign of imagination, flow or intelligible characterisation.

The ultimate weakness lay in the casting of the opera's most interesting role, Cardinal Borromeo, whose appeal to Palestrina for the new Mass is made on the pretext of friendship, but who throws him in prison when the composer appears obstinate. Siegfried Lorenz failed to project the part in any depth (Fischer-Dieskau in the excellent Kubelik recording illustrates the potential of this role); but even Lorenz could not rob Borromeo's final wordless reconciliation with Palestrina of its irony and poignancy.

The simplicity and serenity of this closing scene, sensitively handled by the East Berlin production, would be enough to disarm the opera's sternest critic.

Leonard Burt

Gemma Craven and Leonard Rossiter

Loot/Ambassadors

Michael Coveney

Joe Orton's *Loot*, with a leading character played by a mummified corpse, was a controversial hit of 1966, but time has done nothing to defuse the anarchic, delirious quality of this splendid farce. Truscott of the Yard is one of the great characters of the contemporary stage and, having missed Michael Bates's famous first performance, I feel suitably unhampered in pronouncing Leonard Rossiter's version definitive.

"What has just taken place is perfectly scandalous and had better go no farther than these three walls" is one of those astonishing lines that wraps up a play and reminds you where you are. I could not believe Mr Rossiter was saying it until I checked with the script.

The other remarkable thing about *Loot* is its interleaving of suburban picturesqueness (years before Mike Leigh), stage thriller spoof and darkly subversive views about Irish Catholicism. Also the sheer genius of the writing. "Then I lived under stress near Penzance for some time" is a superb line, worthy of Coward: not because of inherent quality, but because of rhythm and placement.

Orton got under the skin of so much that is strange about England: our class consciousness, our gullibility when confronted with authoritarian characters, our puritanism, our native penchant, as a result of all this, for blasphemy. The truly blasphemous, which has an honourable place in English literature, does not date. Its spirit rides abroad from day to day but needs, for the public benefit, the occasional focusing. Jonathan Lynn's expert revival, which could be faulted only perhaps in the vapid playing of the two young boys, provides this essential public service.

I do not mind admitting to you that I laughed until the tears ran down my face, something that has not happened to me in the theatre since I saw for the first time the second act of *Noises Off* and, shortly afterwards, Ken Dodd in pantomime. Truscott could no doubt deduce some stunning conclusion from this evidence. Certainly Mr Rossiter, arms akimbo on his thrusting hips, green felt hat perched above an unlikely red club tie, could make something of any confession, however innocent. The gleam in his eye, the glint in his teeth, are flashing reminders of his spuriously maintained "rank." The performance can also be viewed as a brilliantly versatile demonstration of the double-take technique. Mr Rossiter is gorgeously and inimitably funny from start to finish.

Truscott is allegedly representing the Metropolitan Water Board, a council employer, he says, with a wandering imagination. At what point Mr Rossiter coalesces this persona with the famous Inspector is not clear, though there are stunning hints as he lifts his hat in a gesture of mock disguise, or releases his voice on a slightly extended whinnying rein as the plot thickens.

There is admirable support from Gemma Craven as the Irish nurse who is open to offers: she plays the screened stripping of the corpse episode (which ends in Hal, the son, clicking his dead mother's teeth like castanets while dreaming of running a brothel) with sure timing and aplomb. She also emits a splendid and well-timed scream on spotting the corpse on its head in the cupboard. I just wish the corpse was as heavy as it should be.

A fine setting by Saul Radomsky features cheap paintings and chandeliers, Spanish and religious statuettes, crucifixes and an inset stained glass window. Patrick O'Connell as the bereaved McLeavy is as tragically and ludicrously expansive as the plot and his fate in the teeth of an Afghan hound on the way to the funeral allows.

Record Review

Immortal hours

Max Loppert shares the renewed interest in "the English Wagner"

Rutland Boughton (1878-1960) is one of the more distinctive figures from the might-have-been period of serious English opera before *Peter Grimes*. Passionate Wagnerian, subscriber to the English folksong revival, and ardent (though maverick) socialist throughout his long life, Boughton combined in his artistic schemes the visionary and the idealist; what he lacked was the equivalent in musical genius to bring them to fruition. Grandiose they certainly were. His Glastonbury Festival, which lasted from 1914 to 1926, was to have become England's Bayreuth, and his cycle of five Arthurian music-dramas England's answer to the *Ring*.

But, though the non-Arthurian *Queen of Cornwall* still crops up very occasionally, only a single Boughton opera can claim more than a footnote in the larger history of opera—*The Immortal Hour*, the single unequivocal success in a career characterised mainly by noble failure. A smashing success *The Immortal Hour* was indeed, though that took time to arrive: completed for and first played at the initial Glastonbury venture, the work finally seized favour only when Barry Jackson mounted it in 1922, first at Birmingham, then at the Regent in London for an unprecedented 216 consecutive performances; by 1932 it had been done about 1,000 times.

Thereafter, the vogue waned; but curiosity in the premiere recording — a brave first operatic undertaking for the Hyperion label (in association with the Boughton Trust and the Sutton Manor Arts centre—*A66101-2, two records*)—starts with the recollection of that original, immense surge of popularity. As Eric Walter White's *History of English Opera* puts it, "some members of the public seemed to be so hypnotised by the elusive Celtic elements in the drama and the simplistic folk idiom of much of the music, that they returned to the theatre time after time as if they had become addicts of some strange drug."

By most listeners it will, I guess, be admitted immediately that the "drug element" has become impossible to recognise except by dint of guesswork and historical imagination. The drama is very weak; one has to perceive the libretto (Boughton's own, concocted from the verse drama of Fiona Macleod, pseudonym of that strange precursor of the Celtic Revival, William Sharp) through the mystic embarrassments and highflown nonsenses of its diction—and even then the central situation — King Eochaidh loves the mysterious Etain, then loses her to the faery realm whence she came—is depicted in a way to deprive it of any vitality other than mustily picturesque pantomime. A colleague has perceptively discerned the Dionysos-Apollo conflict at its centre; but, by contrast with Szymanowski's *King Roger* (of a half-decade or so later), what a tame manifestation thereof!

But there is much beautiful music in the work, even if its mild, well-mannered disposition matches, rather than contradicts, the temper of the play. Listened to at home, it can be more readily enjoyed for that mildness, for the fluency of melody and vocal writing that never runs out (even when it runs into the all-too-familiar rum-ti-tum of pentatonic pastoral), for the soft-hued, delicately woven orchestral fabric by which Boughton's fastidious assimilation of influences is measured. These might be enumerated, summarily, as the Wagner of the *Götterdämmerung* Norn scene for the dark pronouncements of the opening (in an "old, forgotten wood"), and the Wagner of *Parsifal* sweetness and pomp for heraldic moods; in Etain's music can be discerned something of Mélisande's soprano candour and mystery.

Perhaps one is wrong, after all, to insist that the vogue of *The Immortal Hour* is forever past; who knows whether, for the operatic equivalent of the Tolkien hordes, its poesy-drenched vagueness of sense and undemanding sweetness of sound mightn't prove an irresistible discovery? If so, the Hyperion performance will reward them well; for it has been most carefully, lovingly, and thoughtfully put together. The recording unfailingly places sound-levels and perspectives—forward, recessed, distanced, as need be—appropriate to the scenes. The cast, chosen from young English singers mostly little-known on record, is admirable. Anne Dawson (Etain) has developed wonderfully since her Royal Northern College days; Maldwyn Davies and David Wilson-Johnson mark the other points of her triangle; Roderick Kennedy as the opera's bass evil genius makes a sonorous, well-controlled impression. In Boughton's complex choral writing the Geoffrey Mitchell Choir is superbly well displayed; the orchestra is the ECO, the conductor Alan G. Melville.

The coincidence that juxtaposes Boughton and Boito is a most useful one; for though in the theatre *Mefistofele* may seem hardly more practicable as music-drama, there is heat, urgency, and passion in the best of its music, all qualities longed for in vain from *The Immortal Hour*. On the new Decca *Mefistofele* (D270D3, three records, also on cassette), planes of space are defined no less aptly, in the conducting of the veteran Oliviero de Fabritiis (who died in its final stages) quite as much as in the magnificent recording. De Fabritiis was an Italian of the old school—one appreciates that, again and again, in the way vocal lines are allowed to flower at their own pace. In the playing of the National Philharmonic there may be passing diffusions of ensemble, but that does not deny the whole a splendid sombre radiance. Nicolai Ghiaurov in the title role, Pavarotti (Faust) and Freni (Marguerite) all do better than their recent average; Caballé as Helen of Troy sounds worn and languid.

An enthusiastic note on two reissues of late-Romantic opera. The 1964 EMI *Andrea Chénier* (handily compressed onto two records, SLS 1436533; also on cassette) might have been designed to underline what was missing on the first night of the new Royal Opera staging—idiomatic understanding from the conductor (Santini, another wise veteran): ring, ardour, and glorious romance, if also a sob and moan or two, from the Chénier of the much-missed Franco Corelli; and above all, sense of the work's surefire merits that owes nothing to misplaced good taste. An even more desirable rarity, Lalo's *Le Roi d'Ys*, was made in mono in 1957, and comes back (on French EMI/Conifer, 1110683/PM623, two records) presumably in response to the renewed taste for French opera of all periods. The work, a Breton legend conceived in the manner of a Gallic *Lohengrin*, is one of the very best products of the 19th century second rank; and the performance is distinguished by the electrifying Margared of Rita Gorr in her marvellous prime.

Saleroom

Antony Thorncroft

A painting by Richard Bonington of the "French coast with fishermen," dated to 1825, sold for £154,000 at Sotheby's yesterday to Agnew in an auction of British pictures which totalled £1,186,790, with just 8.9 per cent bought in. The price equalled the record for a Bonington, who died at the age of 26.

Many prices far exceeded their estimate, not least a view of an armed merchantman off Liverpool by Robert Salmon, which went to a New York private buyer for £61,600, a record for this early 19th century artist. Christopher Wood gave £60,500, three times forecast, for a tiny Landseer landscape of the Highlands.

Other high prices were the £57,200 from Spinks for a John Ferneley Senior view of the Quorn; £55,000 for a portrait by John Copley of John, second viscount Dudley and Ward; and £49,500 from Baskett and Day for a small Stubbs, enamel on copper, of a lion and lioness. The Clothworkers Company bought a portrait of a Jacobean clothmaker for £7,150 and the Skinners a portrait of Sir Robert Heath, who died in 1649, for £3,300.

This is netsuke week in London. On Tuesday Christie's sold an ivory carving of a rat by Kaigyokusai Masatugu for £16,200 and yesterday Sotheby's went one better disposing of a wooden netsuke of a Kirin for £22,000. It was by Masakata. Two rare 18th century netsuke of Dutchmen went for £17,050 and £16,500 respectively. The morning session was devoted to the collection of H. G. Beasley and totalled £282,051.

Steven De Groote/Wigmore Hall

David Murray

This excellent pianist deserves bigger London audiences, though the enthusiasm on Tuesday went some way toward compensating for the meagre house. De Groote's characteristically enterprising programme began—a bold stroke, this—with Bartok's "Improvisations on Hungarian Peasant Songs," before his Beethoven and Schumann. (The chronological convention is a lazy rule-of-thumb, and should be disobeyed more often.) The mock-tentative start of the Bartok makes it a plausible warming-up piece, but in fact it got a wholly assured performance, searching and subtle. De Groote engineered some powerful *espressivo* moments without compromising his correct Bartok touch, sinewy and clipped.

Beethoven's Sonata in B-flat, op. 22, is an elusive piece despite its broad lines. Though it was lit up here by thoughtful insights, and delivered with conviction, an impression of work-in-progress remained: one wanted to hear what De Groote will make of it in another year or so. Schumann's *Papillons*, like his *Arabesque*, showed plenty of resourceful good sense, but hardly poetry—fleet fancies seem not to be quite De Groote's dish. Ambiguities get refined away in favour of honest clarity. The ideal *Papillons* is more suggestive and whimsical than that, though the actual playing was admirably polished.

With Prokofiev's Eighth Sonata—not yet so familiar as its companion-pieces, the Sixth and the Seventh—De Groote displayed again the complete command shown in his Bartók. There are passages of sustained brilliance in it (all of them rich and gleaming in this performance), but the heart of the Sonata is much darker and more troubled than that. It is one of Prokofiev's largest canvases, and the pianist held it all in masterly balance—a long, unblinking view in which every part of the music was cogently related to the whole. It *sounded* magnificent too: burnished sound, never too bright, solidly imposing.

Chaikovsky/Barbican Hall

Max Loppert

The London Symphony Orchestra on Tuesday began its nine-instalment Chaikovsky cycle (sponsored by Bush Radio). This promises to mount up to an artistic achievement of far greater worth than comparable recent ventures by London orchestras, for two reasons. The first is that the programmes take in not just the symphonies and concertos, but some less familiar Chaikovsky orchestral music—each is a balanced and attractive composition in itself. The second and more important, is that the conductor of the series is the Bolshoy chief, Yury Simonov, who on Tuesday's showing must be counted one of the very few major Chaikovsky conductors currently before the public.

Simonov raised the orchestra to very nearly its finest form. His plastic, gesticulatory, at moments fulsomely balletic conducting technique may be a distraction to watch, but it has direct meaning and immediate effect; the results bore that out. There was a warmth and amplitude of style about the playing not associated (at least recently) with this orchestra, a willingness to match, blend, and discover fine sonorities; in the second-half fare—the *Hamlet* Overture followed by a suite of six pieces from *Swan Lake*—the broad string phrasing was a gloriously unfamiliar LSO attribute.

Simonov is a master of orchestral colour. Under his hands Chaikovsky's scoring takes on a forgotten (or else a frequently smothered) brilliance and freshness. In the first part, filled by the First Symphony, the picturesque beauties of incident were explored with the most loving attention to detail, which saw the performance through a finale apparently less rambling than usual. In *Hamlet*, melodrama was not shirked nor in the opening ballet scene high-Romantic fervour; yet the music never fell into the hard driving that in Chaikovsky counts as an utterly unidiomatic (and today painfully familiar) point of interpretation.

Student show at the R.A.

This week, until Sunday, the Diploma Galleries of the Royal Academy are home to an exhibition of paintings and prints by art college students competing for the Stowells Trophy. The work of over 240 young artists from 42 art colleges is on show. The winner of the Gold Award, worth £400, is Richard Wotherspoon

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

March 9–15

Exhibitions

PARIS

Galerie de Jonckheere celebrates its extension from Brussels to Paris by showing four paintings by Peter Bruegel the Younger and 30 landscapes by his contemporaries, full of the colour, verve and earthy joie de vivre associated with Dutch and Flemish 15th and 16th century art. 21, Quai Voltaire. Closed Sun. Ends March 17 (261 3679).

Enfants du Passé: Toys from the 17th century to the beginning of the 20th. Miniature silver tea-sets, small musical instruments, furniture fashioned by master craftsmen, Napoleon's son's rattle. All exude the special charm associated with childhood. Le Louvre des Antiquaires, 2 Place Palais Royal, 11 am–7 pm. Closed Mon. Ends March 18 (297 2700).

William Bouguereau: An exhibition which continues the present rehabilitation of academic art of the second half of the 19th century. Petit Palais. Closed Mon. Ends May 6 (265 1273).

Camille Claudel: 70 sculptures accompanied by paintings, drawings and engravings prove the individuality of Rodin's pupil who, through her realism and, later on, a sense of the theatrical found her own way. Musée Rodin. Closed Tue. Ends June 11 (705 0134).

WEST GERMANY

Tübingen, Kunsthalle: Edgar Degas. The most comprehensive Degas exhibition ever shown in the Federal Republic. More than 200 drawings, pastels and oil sketches document all periods of the French impressionist's œuvre. Ends March 25.

Bielefeld, Kunsthalle, 5A, Ladebockstrasse: A Picasso exhibition focusing on the artist's depiction of death. Ends April 1.

Brunswick, Herzog Anton Ulrich Museum, 1 Museumstrasse: "First-hand painting" has more than 80 sketches in oil, dating from the 16th to the 18th century by roughly 50 European artists, among them Rembrandt, Rubens, Tintoretto and Boucher. These initial studies sketched with crayon or coal up to the end of the 15th century, were carefully hidden from the public but have been discovered and recognised as an especially attractive art form. Ends April 1.

Cologne, Museum Ludwig, 1 Josef Haubrich Hof: Masterpieces of Russian Painting has 70 oil paintings from the end of the 19th and the beginning of the 20th century by Chagall, Kandinsky and Malevitch, for example. Ends March 25.

Berlin, Brücke Museum, 9 Bussardsteig: The museum has opened the first of a series of exhibitions in honour of the 100th anniversary of Karl Schmidt-Rottluff, the German Expressionist painter. The show has more than 80 paintings. Ends March 25.

ITALY

Venice: Museo Correr: Until a year ago, there was not a single painting by this Venetian master to be seen in the city (there were in fact two – but in private collections). The local council has now acquired two large and splendid paintings with interesting documentation concerning their restoration.

HOLLAND

An extensive collection by the Dutch artist Bram Bogart from 1951 to 1980 is on view at the Museum Boymans-Van Beuningen, Rotterdam, to March 31. Bogart, born in Delft but a long-time resident of Belgium, is an Expressionist who has recently discovered the joys of updated pointillism.

Rembrandt: The artist's home and etchings each Sunday at 2pm until the end of April. The Rembrandt House and Museum is at Jodenbree Straat 4-6, Amsterdam.

BRUSSELS

Musée d'Art et Histoire: Reconstruction of the chamber of the Bulls of the Lascaux Grottos, closed to the public through fear of damage and pollution affecting the drawings. Until April.

Société Générale de Banque: Sundials, astrolabes, watches, clocks and marine instruments. Ends April 7.

VIENNA

Out Of Steppe and Oasis: A colourful exhibition of treasures from the high desert plateaus of Turkestan, the heartland of Central Asia, stretching from China to the Caspian Sea, many brought back by 19th-century Viennese travellers. A display of artistic skill applied to household articles and clothing, carpets, saddlebags and especially jewellery, that a nomadic people could carry with them on their camels. Museum of Ethnology (Völkerkundemuseum). Until April 30.

NEW YORK

Cantor Sculpture Centre: Set against a spectacular view of New York atop the World Trade Tower, 35 Rodin sculptures are displayed in the enlargements and reductions carried out by Rodin collaborator and reproducer Henri Lebosse. One World Trade Center, 105th storey

Metropolitan: Rembrandt, Vermeer, Hals, van Ruisdael and Steel are among the 17th century masterpieces from the Royal Mauritshuis Picture Gallery in The Hague taking up temporary residence in commemoration of 200 years of Dutch-American diplomatic relations. Ends April 15.

International Center of Photography: David Bailey black and white photos of swinging Britain in the 1960s include the faces of that time such as Jean Shrimpton, Mick Jagger and David Hockney. Ends April 1.

WASHINGTON

National Gallery: Thanks to its popularity, the Aztec show of artifacts from the Spanish conquest to the 1978 excavation of Tenochtitlan – the largest show of its kind ever in America – will extend its run to spring. Ends April 1.

Lorin Maazel, not renewing his contract with the Vienna State Opera

HERR Lorin Maazel director of the Vienna State Opera, will not seek the renewal of his contract which expires in August 1986.

The controversial director, however, expects to stay on as conductor of the opera, according to his agents.

In a statement released on Tuesday, Herr Maazel said: "I will continue to honour my current contract as conductor calling for 40 performances a year throughout the 1986-87 season."

Herr Helmut Zilk, Austrian Culture Minister, yesterday revealed that he had sent a letter to Herr Maazel voicing concern over the way in which the opera was being run.

Herr Maazel, who was born in France but is an American citizen, has been the focus of criticism in Vienna since his controversial appointment as opera director in 1982 over the heads of several Austrian candidates.

His critics complained he had been spending too little time in Vienna.

The director is at present conducting the Orchestre National de France in a three-week tour of North America.

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Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Thursday March 15 1984

Privatisation in Mexico

IT IS early days yet to gauge the success of the privatisation measures announced last week for the companies in the portfolios of the nationalised Mexican banks. The reaction of the Mexico City Stock Exchange to the Government's decision — a key element in restoring private sector confidence — suggests a cautious welcome.

The wheel has thus turned part circle to the situation prevaling prior to September 1982 when the Lopez Portillo administration, with three months left in office, nationalised the banks and their extensive industrial and financial holdings.

Nationalisation was a hasty populist move by a discredited president which sought to make the private banks a scapegoat for Mexico's debt crisis. It fundamentally altered Mexico's commitment to a mixed economy, giving the State dominant control.

President Miguel de la Madrid was never happy about this inheritance, though he refrained from saying so in public. Indeed, despite the improvised nature of the nationalisation, it could be argued that some benefit accrued from it. At a time when tight control of the economy was essential to manage the debt crisis, ownership of the banks and their holdings gave the Government greater speed of reaction and firmer overall management. This latter aspect has been implicitly recognised by President de la Madrid. Though determined to privatise, he has been careful to retain the banks themselves within the ambit of State control.

Criticism

Yet the nationalisation of the banks was a body blow to private sector confidence. President de la Madrid has been acutely aware that this must be restored if sustained growth is to return after the tough IMF medicine of the past two years. The private sector never seriously thought the banks would be denationalised; its hopes were pinned on the terms of compensation and the way in which the State would sell-off the various holdings.

Criticism that the measures have taken a long time gestating should not be taken too seriously. President de la Madrid had to overcome vociferous opposition from the trade unions and the nationalist left-wing of his own ruling party, the PRI. Besides, to have gone ahead much earlier, when the prospects of an economic turnround were unclear, would have been risky. Now investors are being offered shares in the nationalised companies, over 80 of which figure in the Mexican top 400; when there are signs of the economy moving into positive growth.

Guarantee

The principal instrument for the sell-off will be the bonds issued to bank shareholders which will be exchanged for company shares. The valuation process is extraordinarily complex but hinges around a mean between book value on the eve of nationalisation and the previous 12 months' average market value plus accrued interest.

There is no guarantee that buyers will come forward. Private sector investment has fallen by 45 per cent in the last two years. There has been no hint that the massive outflow of private capital in the twilight of the Lopez Portillo administration, perhaps worth more than $20bn (£13.5bn), has begun to return.

The Government could find itself in the embarrassing position of holding on to assets it has no wish to own. In these circumstances it is essential that the Mexican Government makes good its plans to relax restrictive legislation on foreign investment.

Under the 1973 investment law, foreign participation was generally limited to 49 per cent; strategic sectors were barred.

The issue of restoring domestic and foreign investor confidence goes well beyond Mexico itself, and applies to all the other Latin American debtors, whose economies are now struggling with deep recession.

Mexico has taken a commendable lead, albeit from an easier position, in coming to terms with its debt problems. It now has to show that it can do the same in restoring private sector confidence.

Distortions in gas pricing

THE UK Government must shortly decide whether to approve British Gas's £20bn plan to import gas from Norway's Sleipner field. It is a decision which raises important questions, beyond the magnitude of the foreign exchange sums involved.

The two main lines of argument, which may be approximately characterised as representing the views of British Gas and the Treasury, are as follows.

British Gas's central concern is to secure a long-term import contract to replace supplies from the Norwegian Frigg field. Sleipner, on stream from the early 1990s, would supply over a quarter of British Gas's needs to beyond the turn of the century, assuming its demand projections are correct. The price being paid for this gas — $4 to $4.25 per million BTUs or about 28p a therm — is much higher than British Gas's current average cost of supplies of about 12p a therm, but much less than several continental European deals in the last three years. The Sleipner price, in short, looks reasonable, although given the glut in supplies, it can always be argued that the price would fall further if negotiations were prolonged.

Cushion

The Treasury, however, fears that the Sleipner deal will do in the 1980s what Frigg did in the 1970s—hand British Gas a supply cushion which will enable it to deploy still more tightly its power as the sole buyer of gas from the UK sector of the North Sea. Current UK contract rates are between 22p and 23p a therm. Since Treasury tax take depends upon price, there is some obvious resentment at seeing the Norwegian Government enjoy the tax benefits of British Gas's purchasing policies. This feeling is made more acute by the fact that Britain is approaching a period of declining revenues from oil.

The Treasury also believes, with good evidence on its side, that this import-aided buying power has discouraged UK gas production. Several oil companies have claimed that Britain could be self-sufficient in gas for 20 years at least if they were offered Continental prices for their gas.

There are other concerns, too. The Treasury wants to force British Gas to accept its own definition of long-run marginal cost pricing, which might put up the price of gas to consumers by 20 per cent. The Sleipner cushion helps keep British Gas beyond the Treasury's reach on this question.

There are a number of possible solutions to the argument. One would be for British Gas to buy a smaller quantity of gas than proposed from Sleipner—either from Norway, if Norway is willing, or from the Netherlands, if the Dutch can be persuaded to match or better the Sleipner price, which has not so far been the case.

But this would encourage UK gas production without tackling the distortions which arise from the dominant buying power of British Gas.

The Government's Oil and Gas Enterprise Act made a tiny step forward by removing British Gas's legal right to buy all UK-produced gas. The next logical step is to allow UK producers to export gas if they can get a price which justifies the infrastructure costs. They are likely to achieve this in practice only if they co-operate on gas-gathering systems and help to create rival gas wholesale operations, as is the case in the U.S.

Security

The effect of this would be to liberalise the gas market while at the same time integrating the UK and continental gas grids — a development which is also desirable on strategic grounds. Given this change, there could be no possible reason for blocking the Sleipner deal.

The counter-argument about exports has always been that Britain should hang on to its indigenous resources for security reasons. But with gas available from Algeria, the Soviet Union and Norway—all of them now connected by pipeline to the European grid and all in need of growing gas exports for macroeconomic reasons — the argument looks increasingly thin.

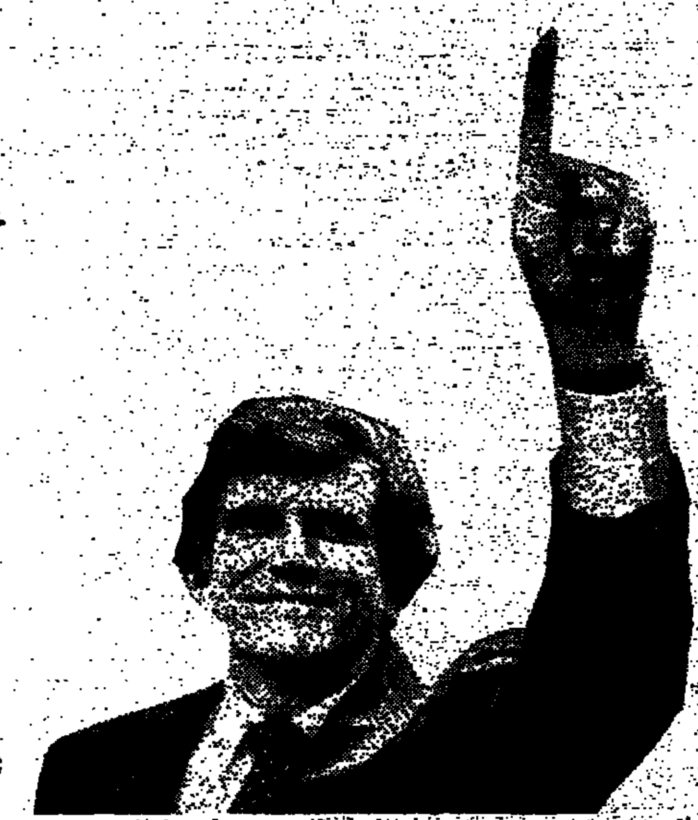
Because there is so much gas around, it may well be that the long-run marginal cost of gas to a British Gas connected to the European grid will in time be lower than it would have been without such a connection. That, in the end, would be the only valid reason why consumers should enjoy a moderation in gas prices.

After Super Tuesday

Mondale and Hart pledge to go the full distance

Walter Mondale: good news and bad news.

Reginald Dale, U.S. Editor, on the outcome of this week's primaries



Gary Hart: a glowing media honeymoon.

IN JUST two weeks, Senator Gary Hart of Colorado has transformed his "guerrilla" campaign for the Democratic presidential nomination into a broad-fronted national offensive. But he has not yet captured the enemy citadel.

His string of victories in this week's nine "Super Tuesday" state primaries and caucuses — and most importantly his win in Florida — has resoundingly confirmed that the Hart "explosion" is not a phenomenon limited to the small states of northern New England, where he first catapulted to prominence in the New Hampshire primary on February 28.

His game plan for capturing the nomination by ambush is succeeding beyond the wildest dreams of the small band of dedicated supporters who stuck with him through thick and thin during the long months of his "dark horse" days. He himself confesses to surprise at the depth of the rich seam of emotional support he has suddenly tapped.

But his opponent, former vice-president Walter Mondale, though humiliatingly bundled out of the front-runner status that he once occupied almost as of right, is far from ready to quit. On the contrary, by winning the two southern states of Georgia and Alabama, which were his main, if limited, "Super Tuesday" objectives, Mr Mondale believes that he has now put himself back in the race after the stunning series of early blows Mr Hart delivered him in New England.

Both men now say that they will go the full distance, even if it means slogging it out until the last (and biggest) primary in California in early June, followed by a final showdown at July's national convention in San Francisco. And Mr Mondale is not far wrong in saying that it will be a "fight for the soul of the Democratic Party."

As Mr Hart predicted after coming a distant second second in last month's Iowa caucuses, the original eight-sided contest is quickly settling down into a two-man race. Mr George McGovern has been as good as his word and withdrawn with dignity after failing to reach his target of first or second place in Massachusetts. It must only be a matter of time before a dejected former astronaut, Senator John Glenn of Ohio, follows suit.

That would leave only the Rev Jesse Jackson, the Chicago black activist, running against the two leaders. But Mr Jackson has never actually expected to win the nomination.

The two front runners, although neither now wants to claim that perilous title, will have little time to draw breath. A new series of high hurdles awaits them, with seven state caucuses and two primaries in the next few days. Of these, by far the most significant will be the Michigan caucus on Saturday and Tuesday's primary in Illinois.

Both these major industrial states should theoretically be tailor-made for Mr Mondale, as the officially endorsed candidate of the trade union movement and the party bosses. Labour, largely in the shape of the United Autoworkers Union, is strong in Michigan, and both trade unions and blacks are a major factor in Illinois.

On these fronts, "super Tuesday" brought good news and bad news for Mr Mondale. In Alabama, where the unions are as powerful as anywhere in the South, he won a major share of the labour vote and split the black vote with Mr Jackson—something he failed to do in Georgia. But in Massachusetts, which Mr Mondale virtually abandoned to concentrate on the South, he lost the union vote decisively to Mr Hart.

In his campaigning over the past week, Mr Mondale has been unashamedly flaunting his union backing. But it is far from clear whether this is a help to him or a hindrance. Mr Hart and the other contenders—especially Mr Glenn—have used Mr Mondale's links with organised labour to press home their point that he is the candidate of special interests, the most damaging of the charges so far raised against him.

In Massachusetts, moreover, rank-and-file trade union members clearly demonstrated that they are not prepared to be told how to vote by their union bosses.

The fact remains that, in the light of everything he represents, Mr Mondale *ought* to win Illinois, the state in which he originally intended to clinch his victory.

If he does, he should still be realistically in the running. If not, it is hard to see how he can go on maintaining a credible candidacy. Illinois could turn out to be the place where Mr Hart, not Mr Mondale, delivers the knock-out punch.

But life is not going to be all that easy for Mr Hart in the days ahead either. The belief of the Mondale campaign is that once the initial excitement of Mr Hart's dramatic early upsets dies down, the two men are going to be put much more closely under the microscope. Once their policies and their records are fully examined, the theory goes, Mr Mondale can only emerge the winner. He is, after all he once said, "the real Democrat."

The debate is essentially between the establishment and the populist outsider

It is true that there are dangers for Mr Hart. His victories so far have been based less on any public awareness of where he stands than on media hype and glamour, a young, deliberately promoted Kennedy-esque image, and the sheer thrill of his dramatic breakthrough — not to mention the voters' rejection of Mr Mondale's "imperial" and rather boring candidacy.

One voter this week told a reporter that she supported Mr Hart because of his "new ideas." Asked to identify the ideas, she replied: "That's an unfair question."

Lacking the funds and the massive organisation that Mr Mondale has painstakingly put together over almost four years, Mr Hart has relied extensively in the past two weeks on the devastatingly flattering — and free — Press and TV coverage that has engulfed him since his stunning triumph in New Hampshire.

He has enjoyed a glowing media honeymoon, prompted not least by the guilt feelings of editors who felt that they had wrongly underplayed his candidacy hitherto. But in an American election, the media can be as fickle as what is clearly a volatile electorate, and "momentum" can fade as fast as it suddenly appears.

Mr Hart is a "loner" who has a few small skeletons in his cupboard. There are still unanswered questions over the youthful change of his name from Hartpence to Hart, over why his exact age was misrepresented in his official literature (*he is 47, not 46, as everyone was led to believe*) and over a Naval reserve commission that he sought as a Senator, and was granted, when he had no military experience and was well over the age limit.

His famous "new ideas" will also now come under much closer scrutiny, with his opponents arguing they are neither good nor new. Mr Mondale has already scored some debating points with his claim that Mr Hart's call for a $10 a barrel tax on imported oil is one of the wost ideas of the decade.

The philosophy loving Mr Hart has acquired many "ideas" during his nine years in the Senate, and he freely admits that most of them are not his own. Many are in the field of defence, where he is an expert, and centre on the concept of "military reform." While he favours steady 4 to 5 per cent real annual defence budget increases, Mr Hart wants spending redirected away from high technology and massive nuclear weapons. He is in favour of stronger conventional forces and against big tanks, big ships and big missiles.

Asked recently to identify the most important problems facing the U.S., Mr Hart named restructuring and "internationalising" the economy (he has fought against protectionist legislation), achieving genuine equality for women and minorities and reversing the nuclear arms race. In foreign policy, he is "doveish" in Washington terms.

Mr Hart does not like to be labelled as either a liberal or a conservative — although he is sometimes referred to as a "neo-liberal." He is certainly less traditionally "liberal" than Mr Mondale, and he has moved to the right since he was Mr McGovern's campaign manager in the 1972 election. But one of the aspects of the "new generation" of leadership that he champions is that he will come down eclectically to right, left or centre depending on the issue.

This is where Mr Mondale's last-ditch stand for the "soul of the Democratic party" comes straight up against Mr Hart's vision of the future. Mr Hart says that he wants to expand his base, and indeed the party itself, to include large numbers of Republicans and independents — a category of voters who have already heavily supported him in those votes in which they have been allowed to express an opinion. His campaign workers are making a determined, and so far successful bid for what they call the "Yuppies" — young urban professionals.

Mr Mondale, reeling from the shock of his early defeats, has returned instinctively to his roots in his desperate search from firm ground. As a self-confessed political clone of the late Senator Hubert Humphrey, he has built his campaign on the bedrock of civil rights, welfare, loyalty to blue collar workers, the poor and the underprivileged.

This is one half of the central ground on which the battle will be won or lost. To Mr Hart, Mr Mondale is an outdated, "smoke-filled rooms" politician who is no longer in tune with modern Americans and represents only the "special interests" of the traditional democratic constituency. To Mr Mondale, the trendy but inconsistent Mr Hart has forgotten what Democratic politics are all about.

The debate, essentially between the establishment and the populist outsider, is not new to the Democratic Party. But with the party out of the White House, and a well-liked President Reagan strongly entrenched there, it is not surprising that the Democrats are looking for something new. It is here that Mr Hart has gained the edge, and he is exploiting it to make Mr Mondale look exaggeratedly old and defensive.

The other half of the battle between the two men will be purely and simply their personalities. The precise outcome of the detailed debate on the issues that Mr Mondale is seeking will be less important than the leadership qualities that the two men display in conducting it. Voters entering the polling booths are not going to be concentrating on Mr Mondale's detailed plans for reducing the budget deficit by 50 per cent over four years or Mr Hart's past Senate voting record on the windfall oil profits tax.

After what he regards as a successful candidates' debate in Atlanta on Sunday, Mr Mondale is now ready to go for Mr Hart personally. It is true that Mr Mondale emerged in Atlanta as a newly aggressive and more confident debater. Mr Hart slipped into a naive faux pas by declaring that as president he would only shoot down an intruding Czechoslovakian airliner once American pilots had looked through its windows to make sure that the passengers were wearing uniforms not civilian clothes.

That, rather than the oil tax, is the sort of remark that can trip up presidential candidates, and Mr Mondale is already exploiting it to the full. Braced by the trauma of his defeats, Mr Mondale is now beginning to look like the sort of combative candidate he should have been in the first place. But it may be too late.

He still has to rid himself of the whiff of failure that accompanies him at most of his public appearances. If he is to stay in the race, he has to shake the loser's image. To do that, hard-won victories with the commitment of maximum resources in Georgia and Alabama will not be enough.

Men and Matters

Mount takes ideas to Hambros

The elite world of London merchant banking has gone fishing in usually hostile waters for its latest recruit.

Hambros Bank has appointed political journalist Ferdinand Mount to step across from The Street of Shame as the bank's latest consultant.

Mount, aged 44, caught Mrs Thatcher's eye in 1982. It was said she liked his book The Subversive Family, published that year.

He was whisked away from The Spectator, where he had been writing brilliant political commentaries more or less favourable to the government, to head the prime minister's policy unit.

From a Downing Street basement he tendered advice upon the direction of the nation which was promptly stamped Top Secret. This year he again sought a wider audience. He left No 10 to write articles for The Times, and to edit The Spectator's literary pages.

Mount's experience of Fleet Street has been long and varied. He has worked for the Sunday Telegraph, the Daily Sketch, the Daily Mail, and The Standard, besides The Spectator. He also did a stint at the Conservative research department.

But why is he going to Hambros? Well, he has been friends with the two top men there, Rupert Hambro, chairman, and Chips Keswick, vice-chairman, since they were all lads together at Eton. Says Keswick: "At the bank Ferdinand will have a thinking role, dealing with ideas as a consultant on economic and business affairs."

He will keep his Spectator and Times connections — the only writing journalist with a permanent pass to a bank parlour.

"and could I have some mustard and a VAT receipt please?"

Party workers

The mandarins of the British Foreign and Commonwealth office who still smart under that attack made on their profession by the government Think Tank in the 1970s may take comfort that their West German colleagues are now also under fire.

In a report that has been most undiplomatically leaked, the West German federal accounting office says that at least one in four of the 150 staff at the West German Embassy in Washington could be sent home without affecting the work of the embassy. And at the consulate general in New York, it reports, matters are even worse. There, 30 per cent of the staff is said to be unnecessary.

Employees at the embassy were asked to account for their own time. They did so with truly Germanic thoroughness. For example, the secretary of Theodor Wallau the charge d'affaires, is claimed in the report "to have had nothing to do in 2,675 minutes out of the 4,426 minutes worked."

Even the ambassador, Peter Hermes, does not escape criticism. He is accused of extravagance in employing two ladies to dust out the reception rooms in his residence.

The hard men of the accounting office say that only one lady (at $1,575 a month) could dust the 432 sq metres adequately.

The Foreign Office in Bonn is pained. Diplomats are, well, diplomats—not postmen—is the word.

Furthermore, cocktail parties are not free time as the accountants would seem to think, but vital sources of information—and they are devastating for both feet and digestion.

Final shot from the Bonn FO. "Anyway a staff of 150 is not very much when you think that the British have 332. . . ." Do I hear groans from Whitehall?

City watcher

Following the changes set in train last year by Professor Gower's report on investor protection, and the decision to exempt the stock exchange from the restrictive practices court, the financial services and companies division at the department of trade and industry has assumed a new importance.

Brian Hilton is to be the new head of the department replacing Malcolm Reid, who is moving into the City as first registrar of life assurance commissions.

Although only 48 Hilton can already look back upon 26 years in government service. He entered through the export credits guarantee department in 1958. Since then he has moved steadily up through the ranks, going to the then board of trade in 1968, and being promoted assistant secretary in the department of industry in 1976. He will now become an under secretary.

Since 1982 he has played a key role formulating small firms policy, promoting the development of local enterprise agencies, and managing the DTI's national small firms service.

A popular figure in Whitehall, colleagues say he is a man to watch.

Cigarettes out

In the wake of the severe treatment from the Chancellor, leaders of the tobacco industry are faced with another political hazard which has suddenly assumed sizeable dimensions.

Laurie Pavitt, Labour MP for Brent South, who has been campaigning for years to curb the promotional activities of the cigarette manufacturers, has benefited from a change in the timetable for Private Members' Bills.

His Tobacco Products (Control of Advertising, Sponsorship and Sales Promotion) Bill will be the first item dealt with by the Commons on March 23.

As a result, it has an improved—though still outside chance—of gaining a second reading.

A self-styled David combating what he has described as a "multi-national Goliath," Pavitt will be making his 17th attempt to get the measure on the Statute Book. Though that goal is unlikely to be reached, he may get closer than ever before.

The Bill's main purpose is to give the Social Services Secretary the power to control the sponsorship of the cigarette companies, particularly of major sporting events which are televised.

His party leader will not be upset. Long before pipe-smoking Neil Kinnock took over Labour's hot seat, Pavitt made it clear that cigarettes and not pipe tobacco or cigars were his main target.

In the sticks

A factory in Morley, Yorkshire, where they make adhesive is known locally as the "Ee by gum works."

Observer

ECONOMIC VIEWPOINT

Quite a stimulating Budget

By Samuel Brittan

MR LAWSON has revealed some talents which Paul Daniels, the magician, might envy. He has conjured up a Budget which has reduced both personal and company taxation, cut the PSBR, invigorated the financial markets and had virtually no depressing impact on the healthy economic recovery now in place. "It is a very clever package indeed, and it has paved the way for further cuts in interest rates in the near future. Although life assurance companies will certainly not agree, the rest of the City may see this as a "wizard" Budget.

Gavyn Davies, Simon and Coates Economics Analyst

AS HE recovers from his triumph of Tuesday, Mr Nigel Lawson, aware as always of the transitoriness of earthly bliss, will undoubtedly listen very carefully to the dissents and reservations which even the best Budgets always produce among economic analysts.

The predictable dissenting murmurs come from the extremely unreconstructed Keynesians, who (unlike the reconstructed Mr Davies) say that the Chancellor could do little to boost the economy because of his rigidly monetarist framework and his obsession with the Public Sector Borrowing Requirement (PSBR).

But hissing of another kind can be heard from the equally doctrinaire puritan lobby. So far from the "balanced Budget" for which they had hoped, the puritans are appalled to see the PSBR remaining at a steady £7bn per annum (or £8bn if asset sales are excluded) for the five years of the Medium Term Financial Strategy up to 1988-89, and even as a proportion of GDP falling only very gradually from 2¼ to 1¾ per cent over the period.

As so often, the puritans are over-hasty in their judgments. If they would only look at a key, if buried, paragraph in the Red Book (2.19 "Assumptions") they would see that inflation is expected to fall further to 3 per cent by the end of the five years MTFS period. The Green Paper on the "Next Ten Years Public Expenditure" makes a working assumption that the PSBR percentage will fall further to 1 per cent. So far from ignoring the depletion of North Sea oil revenues, the Red Book and Green Paper, both take them into account in their PSBR projections, a point which the Budget speech might have emphasised more.

The process of disinflation may be too gradual for the puritans; but it is entirely in keeping in aim (if not on techniques) with Friedmanite gradualism. Indeed both the puritans and the extreme Keynesians are so furious, for opposite reasons, with a remarkably sensible medium-term framework (even if the key elements are scattered through the Red Book in a way difficult to find on Budget night) that they have failed to observe that Mr Lawson has given a good old-fashioned short-term Keynesian stimulus to demand within a sound money framework.

On top of this, there are improvements in the international context, which came too late to take into account in the economic forecasts. One example is the higher-than-expected U.S. growth rate and the best-of-all-worlds behaviour of sterling, which has risen against the dollar but fallen against the D-mark and remained pretty stable against the basket.

But in what sense is the Budget itself a stimulus to demand? The PSBR is supposed to fall from £10bn in 1983-84 to just over £7bn in 1984-85, before levelling off. Is not that contractionary? Not in a Lawson context.

First of all, the PSBR in the year now ending may well finish at, say, £9bn rather than the present deliberately cautious estimate. A further £1bn of the contraction is accounted for by asset sales.

Now look at the revenue side. The table suggests at first glance that the Chancellor's tax changes reduced it by only £0.3bn on a crude basis and by virtually nothing after taking normal indexation into account.

The no-change total is however made up of many off-setting changes. The biggest plus point for the revenue is the once-for-all £1.2bn receipts from accelerated VAT payments by importers. This will be partly paid by foreigners and partly by a modest dip into UK corporate liquidity. So from being contractionary the net effect may be to deflect demand slightly towards British products.

By contrast many of the revenue-losing reliefs, above all the higher tax thresholds, are likely to find their way into spending pretty quickly.

But the biggest temporary stimulant does not show in the revenue figures at all and comes from the recasting of corporation tax. Whether by cunning or luck, Mr Lawson and his tax advisers have hit upon a change—the phasing out of plant and industrial building allowances—which will remove an artificial stimulus to investment in the long run, but boost it in the short run while companies queue up to take advantage of the allowances before they disappear.

The economic recovery is starting from such a large margin of slack and unemployment that we should not decry a stimulus, within a sound money framework which will automatically fade away.

Can we, however, rely on this fading away occurring, instead of the inflationary boom which followed other stimuli in the past? The formal guarantee is in the PSBR and monetary projections. But to make a reality of these there are two indispensable requirements. One is that public spending really is held stable—or if not that some of the tax cuts included in future years under the formula "fiscal adjustment" are not made.

The second requirement, which may be politically even more difficult, is that the monetary aggregates are properly monitored.

If the monetary aggregates are watched intelligently but stringently (which means looking out for velocity changes either way) then there will be no need to worry about such recently invented horrors as the "private sector borrowing requirement"—a new name for the consumer credit boom. It does not matter if consumer credit booms, so long as total monetary demand is not moving in an inflationary way.

But that is a most important proviso. If inflationary monetary movements are to be prevented, interest rates will have to rise as well as fall; and if there are objections to the latter from 10, Downing Street, all the counter-inflationary gains of both the last and the present Parliament will be put in jeopardy. The Prime Minister is right to suppose that a low or falling PSBR should mean lower interest rates, so long as this is interpreted both as a long-term trend and to mean "lower than they otherwise would be." The next big challenge for the Chancellor and new Governor—whether next month, next year or whenever—will be when they bring to No 10 the bad news that interest rates sometimes go up as well as down.

Control of monetary demand is only half of economic management, fashionable though it now is to neglect it altogether. The other half consists of improving supply side performance. For that is the only way that the Government can contribute towards an improvement in employment that is more than merely cyclical.

The Budget's structural changes were devised very much with the unemployment problem in mind.

One prong of the policy is to raise tax thresholds to reduce the unemployment and poverty traps. An increase in the very low personal tax starting points of 7 per cent more than just indexation was worth doing for its own sake.

But when it comes to next year, a more serious probe of how best to tackle the poverty trap is needed. At present the Chancellor is saying "tax thresholds" and the Institute for Fiscal Studies "child allowances" but there is no real dialogue across the void. Mr Lawson should appoint a small committee of officials and outside experts, perhaps chaired by a Minister, to produce a short, quick report. If it turns out that child allowances are more effective, it would be a thousand pities if these were not raised because of the accounting convention that they count as public expenditure.

Under a different convention, they could equally well count as negative revenues, as they partly did in the days of child tax allowances and would again if we had a negative income tax.

Improvements in work incentives help to reduce unemployment of a semi-voluntary kind. But far more important in reducing involuntary unemployment is the incentives that employers have to take on labour. The Budget should improve corporate cash flow. Yet the major long-term change is to remove artificial inducements to substitute capital for labour. This has been done both by phasing out capital allowances and by abolishing the National Insurance Surcharge.

The hope is that these changes will encourage some companies to use somewhat more labour-using techniques until the margin of unemployed workers has been reduced. More is involved than choosing between production blue prints. A good deal of equipment has been installed mainly for tax reasons; and almost any way of using corporate funds will be an improvement on investment in a battle of wits with the Revenue.

It is, of course, an open question how far fiscal switches such as those in the Budget can go in making it more profitable to employ workers. A more unorthodox further move, if more is needed, might be what the Italians call "fiscalisation," which is to replace some employers' normal national insurance contributions with other tax revenue.

But before considering any such move, the response to the NIS abolition needs to be watched very carefully. If reductions in employment taxes are not completely eroded by successful wage demands, they might prove a useful way of pricing workers back into jobs; but the proviso is all important. If fiscal measures cannot induce the present organisation of the labour market and the present pattern of capital ownership to provide reasonable employment levels, more radical changes will be required in both.

DIRECT REVENUE EFFECTS

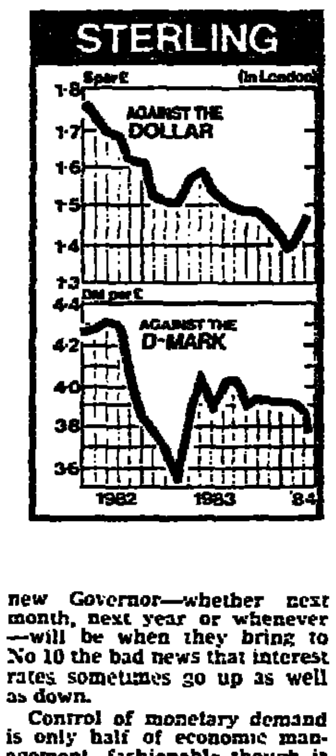
+/− indicates increase/decrease in revenue
£ million at current prices

	Effect in 1984-85: Change from indexed† base	Effect in 1984-85: Change from non-indexed base	Effect in a full year: Change from indexed base	Effect in a full year: Change from non-indexed base
Income tax allowances and thresholds	−940	−1 820	−1 470	−2 610
Corporation tax rates, stock relief and capital allowances	−280	−220	−250	−250
Other income tax and other direct taxes	+190	+175	+450	+395
Stamp duties	−450	−450	−460	−460
National insurance surcharge	−335	−335	−865	−865
Value added tax	+375	+375	+650	+650
Excise duties	+200	+835	+215	+860
VAT: withdrawal of postponed accounting for imports	+1 200	+1 200	0	0
Total	−40	−300	−1 730	−2 280

† "Neutral" revenue projections nowadays assume the indexation of tax thresholds and Excise duties.

Source: Financial Statement

STERLING



Lombard

Wrong choice on freeports

By Anthony Moreton

THE BRITISH Government appears to have taken all the wrong options over freeports. Having reluctantly been forced by backbench and outside pressure into conceding the principle, it has allowed political pressures so to cloud its commercial judgment that a worthwhile experiment has been hamstrung almost before it has started. For a Cabinet which has shown itself willing to take a radical approach to other aspects of regional policy, such as enterprise zones, urban development corporations and the rethinking of regional policy itself, this is difficult to understand.

Freeports are an accepted part of economic life around the world. Even discounting the somewhat grandiose claims made on their behalf by their proponents there is no doubt that a considerable part of world trade is passing through them and this share of trade is likely to expand. Exact and accurate figures are difficult to obtain because most of those published have been put out by people who have a vested interest in advancing their cause. It has been claimed that there are more than 400 freeports around the world and that 10 per cent of world trade passes through them, with the possibility that by the end of the eighties they will be handling 20 per cent.

These figures are almost certainly exaggerated because no two definitions on freeports coincide. But it would be unwise to ignore their undoubted growth. The case for joining the bandwagon in the UK was strong. But having ungraciously capitulated to the pressure to set them up the Government has allowed cabinet infighting to rule its better judgment; areas that should have received one have been ignored while less meritorious cases have succeeded.

The sites selected have been chosen on regional and political grounds and demonstrate the strength that attaches to regional policy when an area has a Cabinet minister to argue its case. Northern Ireland, Wales and Scotland have each got one freeport, so too has the depressed north west. Even the granting of one to the west Midlands can be seen in terms of the enormous pressure building up on the Government to do something for that region, now almost in the category of a depressed area. Only Southampton can fully stand on its own merits.

Yet the whole pattern of business in Britain has been moving from west to east and will continue to do so as the Common Market increases in importance as a trading partner for Britain. Weighting the selection of sites largely to the west flies completely in the face of reason. If the Government had looked for logical sites it should have at the very least have included one from Felixstowe, Grangemouth or Aberdeen and either Heathrow or Gatwick airports near London. The logic of the choice dictated one seaport, one airport and one inland container port—an area of economic activity that has grown considerably. Two of these should, preferably, have been on the eastern side of Britain with a further one to the west so some form of meaningful comparison might have been made.

The Government has also made an error in limiting the experiment to five years. A great deal of money will have to be raised to ensure their viability since it has been made clear, and rightly so, that there will be no public funding. Raising this money has been made more difficult because of the short time-scale attached to it. The whole way in which the freeport discussion has been conducted has been mismanaged but it is not too late to make some amends.

FREEPORT SITES

Belfast
Birmingham
Cardiff
Liverpool
Prestwick
Southampton

Letters to the Editor

Mergers in the oil industry

From Mr T. Boone Pickens Jnr

Sir, — I was very interested in the Houston Chronicle article of February 6, by Financial Times writers Ian Hargreaves and William Hall, entitled "Why big oil has been forced to begin feeding on itself." The story was a very perceptive look at the changing nature of the oil and gas business.

I found particularly interesting the concepts of big oil "feeding on itself" and the majors having a "bigger is better" mentality. Large amounts of cash flow generated during the 1970s prompted the major oil companies to diversify. Now, with those ventures showing poor returns and little promise for improvement, the majors have begun to feed on others in the industry to shore up their depleting reserve base.

The "bigger is better" mentality is being revealed as a serious flaw in many cases. A larger reserve base is great — until management tries to replace the larger production from it. Large amounts of cash flow are certainly available for exploration, but investment opportunities are limited. The result is that the reserve base declines, cash flow is channelled to non-energy operations with marginal returns and the shareholder suffers.

The merger / acquisition actions taken by major oil companies today are motivated by poor performance that can no longer be masked by rising oil prices. Stable oil prices have not only put declining reserves in focus, but they have also put unsuccessful and wasteful diversification efforts in the spotlight.

The industry must restructure if it is to ensure a secure energy future for the nation, and the companies which will thrive in the future are those that are most cost-efficient in finding oil and gas and which return maximum value to their shareholders — the owners of the company.

T. Boone Pickens.
(On behalf of the Gulf Investors Group)
Mesa Petroleum Co,
1 Mesa Square, PO Box 2009, Amarillo, Texas

Metropolitan county councils

From the Leader, South Yorkshire County Council

Sir,—Mr Patrick Jenkin, in a written answer to a question in the House of Commons on February 24, denied that the expenditure policies of the metropolitan county councils were central to the Government's case on abolition and added that the Government was proposing abolition because these councils had too few real functions to justify a separate directly elected upper tier of local government in these areas.

This is a change from last summer when the Government was saying that the metropolitan county councils were "wasteful" and from last autumn when the Government alleged that these councils "imposed heavy and unnecessary burdens on ratepayers." A change in emphasis too is seen from the often repeated claim by the Government that there are substantial savings in money and manpower to be obtained by abolition.

The argument about too few real functions is not valid; the metropolitan county councils have far more functions than district councils outside metropolitan areas and as many functions as metropolitan districts.

It now seems that the only real ground left for abolition in the Government's mind is to remove a few hundred elected members whose politics displease the Government. This can hardly be regarded as a serious justification for the confusion and continuing public expense which the Government's proposals are likely to produce.

All of this reinforces the call in your leading article (March 8) for the Government to postpone their threatened legislation and to take time to consider how best to reorganise urban local government.

Roy Thwaites.
County Hall, Barnsley.

Storing nuclear waste

From the Editor and Publisher, Interflo

Sir,—David Fishlock's February 9 article on China's offer to store nuclear waste for European countries requires a brief footnote.

China is not the first country to make such an offer. When the Soviet Union exports nuclear technology, it includes storage of nuclear waste as part of the package. Also, last March, former Austrian Chancellor Kreisky reported that the Soviets were preparing to offer to store Western nuclear wastes on a fee basis.

If the Soviets and Chinese can help protect the West from radiation contamination by providing an outlet for its nuclear waste, we might have not only a mutually beneficial East-West business arrangement, but one of history's great ironies.

Paul R. Surovell,
P.O. Box 42, Maplewood, New Jersey, 07040, U.S.A.

The cost of change

From the chairman, Two Cities Branch, Small Business Bureau.

Sir,—I may seem a little simple on this issue but is not the argument advanced in your leader (March 10) about taxing employment and subsidising capital overdone? After all, the total cost of labour to a company is also financed out of money that would otherwise be paid in tax. The cost includes say 11½ per cent national insurance charge in addition to salary but I submit that this is not the reason for the switch to plant and machinery from labour. A robot is a once off expenditure and does not come back next year with hand held out for more pay for doing the same job—although the supplier of its servicing contract may do just that!

I don't think tinkering with marginal tax levels will alter the cost relationship between labour and capital. Technological change is accelerating and forcing fundamental alteration in our society and economy. I cannot see computers or robots becoming more expensive again. We have to come up with other new ideas for human activity to take up the time made available by mechanical productivity gains.

The leisure industries, small businesses and, probably, new technologies as yet undreamed of or undeveloped, have something to offer on this score. By all means let us make the taxation of labour and capital for business neutral, but don't compound the error by going too far the other way and stifling technological and mechanical innovation.

Giles Chichester.
9, St James's Place, SW1.

Confusion about making scapegoats of MBA executives

From Professor E. Kirby Warren

Sir, — Christopher Lorenz's examination of "Business schools under siege" (February 6) makes for fascinating reading. Having known and worked with Professor Harold J. Leavitt for many years, I am delighted that someone of his stature is speaking out for changes in MBA curricula.

While Professor Leavitt stresses the need to "listen to your guts," and while he is one of the finest conceptual thinkers alive, he is not without mathematic acumen. Therefore, I must believe there is some confusion about making executives with MBA degrees the scapegoats for our current business troubles.

The most serious and valid criticism of U.S. and UK executives has been their shortsightedness—their tendency to make decisions based almost entirely on short-term benefits. This myopia has affected capital investment decisions, resulted in shortsighted personnel practices, and contributed to their tendency to exploit mature products and markets at the expense of developing new ones. Simple arithmetic, however, will show how foolish it is to blame MBAs or current flaws in MBA curricula for these failings.

Clearly, the worst of these decisions were made between roughly 1955 and 1965. We are today living with the results of shortsighted decision-making during this critical 10-year period.

Having pointed to these failings in a book in 1966 I feel somewhat more justified in my criticism than others who criticise only now with the wisdom of hindsight (Professor Leavitt, incidentally, is not one of them). During that period our economies were booming and it seemed that they would continue to boom forever. Even though executives at that time may have felt that their decisions were justified by the environment, our current woes date back to opportunism that began at least 30 years ago. For the past 10 years we have been scrambling to catch up.

Who made these shortsighted decisions? Certainly not the products of today's business schools. The key decision-makers and their analytical support teams were, by and large, senior executives between the ages of 45 and 60. Someone who was 60 in 1955, born in 1895, was out of school before 1920. The 45-year-olds in 1955, born in 1910, undoubtedly began their careers during the depression of the early 1930s without an MBA.

The youngest of this shortsighted crew, 45 years of age in 1965, would have been born in 1920 and undoubtedly started a business career during or immediately after World War II, also without the benefit of an MBA degree. Even those now calling the shots—today's 45- to 60-year-old senior executives—would have entered the business world somewhere between 1946 and 1960, and they probably were not MBAs. During those years an average of 4,000 MBA degrees were awarded compared to an average of 60,000 in recent years.

(Professor) E. Kirby Warren.
Columbia University,
New York, NY 10027, U.S.A.

FINANCIAL TIMES

Thursday March 15 1984

'SMALL RISK' OF DISRUPTION IN PUBLIC SECTOR

France to resist wage demands

BY DAVID HOUSEGO IN PARIS

THE FRENCH Government is to hold firm against wage demands of public employees in spite of last week's one-day strike.

The Cabinet decided at its weekly meeting yesterday to make no advance on the FFr 500 ($63.3) bonus it had offered public employees to make good losses in purchasing power last year.

The Government also decided that the 1 per cent salary increase it has offered as of April 1 will count as part of this year's wage settlement.

The unions had rejected the FFr 500 bonus as "unacceptable" and demanded that the 1 per cent increase be counted as back-pay for last year because of the higher-than-anticipated inflation rate.

In deciding against further concessions, the Government has concluded that last week's strike was only a partial success and that the risk of further serious disruption in the public service is small.

The strike – the largest in the public service since the Socialists came to power – was called to challenge the Government's attempt to halt the automatic indexation of wages on prices.

The decision to hold the line is intended as a signal to the private sector to also resist wage claims based on virtually automatic indexation.

The Government has gained some support for its case from figures, published yesterday, that show that hourly wages in France rose 9.8 per cent last year – representing an increase in purchasing power of 0.5 per cent.

But union anxieties have been aroused by prices rising 0.7 per cent in January and an estimated 0.7 per cent last month. This means an accumulated 1.4 per cent for the first two months, against a Government target of 5 per cent for the year.

Renault's 160,000 workers in France will vote today to elect six members to the new board of the French state-owned car group, **writes Paul Betts in Paris.**

This will be the first case of workers of a French nationalised company electing by universal suffrage members to the company's board of directors and to new boards for the group's subsidiaries.

All the other French nationalised groups are due to hold similar elections before the end of June. The elections are an integral part of the Socialist Government's efforts to increase worker involvement in the running of major state companies.

Under the new system, the Renault board will comprise six representatives elected by all the group's workers; six members chosen by the Ministry of the Economy and the Ministry of Industry; and six more members chosen by the Government on the grounds of what has been termed "special competences."

The Government has yet to work out the precise method of selection for the other 12 state-nominated representatives.

The company's chairman will be chosen from one of the 18 new members of the board. In the case of Renault, the present chairman, M Bernard Hanon, would have to be chosen as one of the new representatives and be reconfirmed as chairman by the end of June.

M Hanon is widely expected to be given a new mandate as chairman of the large state-owned car group.

Australian investors drawn in by false oil hopes

By Lachlan Drummond in Sydney

A FORGED company announcement led yesterday to an A$500,000 (U.S.$482,000) stampede for the shares of Monarch Petroleum, a tiny Perth oil explorer.

Before they were suspended (once the forgery was revealed), Monarch shares had doubled to 40 cents as 1.41m shares changed hands in hectic trading.

Last night, the Perth fraud squad and the Western Australian and national securities authorities were probing dealings on the east and west coasts of Australia to try to discover who had been dealing on the strength of the bogus announcement.

The announcement claimed that Monarch had reached an out-of-court settlement giving it a 4 per cent stake in the highly promising Jabiru oil strike off the Northern Territory coast and that a leading company was negotiating to buy a big stake in Monarch. Both moves had been widely rumoured.

The forged announcement, under the letterhead of the Magnet Metals group of companies, of which Monarch forms part, was made public at 9.01 am Perth time (which is two hours behind the east coast).

The hoax was detected shortly afterwards, however, and Monarch shares were suspended at 9.30 am. The letterhead on the announcement had not been used by the Monarch group for about 12 months.

Normally garrulous stockbrokers were coy about naming any fellow brokers involved in yesterday's trading, although, given Australian share market settlement procedures, it would appear that, if the instigators of the forgery were among the sellers, they may not have received their money yet.

Share transactions are settled either against delivery of scrip or against the contract note for the sale, and while cash is unlikely to have changed hands, the task remains of disentangling the rogues from the quick-witted among the sellers.

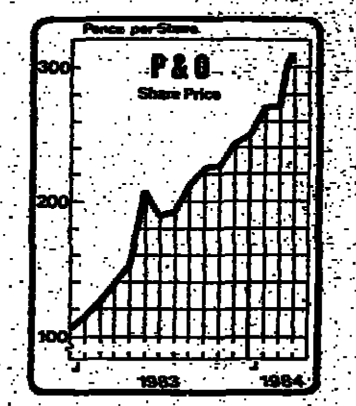
The position of the buyers is not yet clear, although it seems that no legal power exists for cancelling the deals.

The authorities are to examine all transactions in Monarch and the Magnet Metals group and the culprits, if found, might face up to five years in jail and A$20,000 in fines.

Monarch began legal action last October to press its claims to the restoration to the Jabiru exploration partnership after having been deemed to have dropped out for failure to meet its funding commitment on its then 20 per cent stake in the exploration permit. The field is thought to contain up to 800m barrels of oil.

THE LEX COLUMN

Tightening up at GKN



The UK engineering industry's recovery appears to have benefited GKN rather less in the second half of 1983 than some of its smaller competitors, as AE's boardroom might be pointing out very shortly. With third and fourth-quarter profits slightly down on the second, GKN was still able to report pre-tax profits for 1983 of £88.1m, up from £40.8m. But this fell a little short of market expectations and the shares closed 1p lower at 212p.

At this level, of course, the shares are already anticipating substantial rewards from GKN's £200m reorganisation programme and they were given little reason for disappointment by yesterday's results. Its positive cash flow shows how much GKN has done to tighten its working capital needs – contributing to a £12.2m reduction in net interest paid – while global margins on its automotive components businesses have jumped from 6.5 to 10.6 per cent. Above all, the 46 per cent jump in U.S. turnover on the back of a dramatic improvement in the demand for trucks has more than vindicated GKN's U.S. growth strategy.

Net debt to equity is down to 41 per cent, helped to the tune of £28.3m by the deconsolidation of GKN's former Indian subsidiary. GKN ought now to be able to concentrate on growth areas, not least U.S. components distribution and industrial services. But its main priority must remain the improvement of margins in the UK, which remain far behind those achieved in continental Europe as well as the U.S.

The budget's tax changes have made little difference to GKN's virtually tax-free status for years to come in the UK, which should underpin pre-tax profits of at least £115m this year, implying an actual tax p/e multiple just under nine times.

Markets

The Chancellor might yet end up increasing his total return on stamp duty, to judge by yesterday's record trading volume in the stock market. Most brokers seem to have been hard at work as dawn spread over the Golden Mile, never so well described, and turnover for the day must have jumped well over £500m.

If the chorus of switch recommendations from the brokers struck rather more happy chords than usual, no doubt the duty reduction played its part. But the budget's fanfare on tax reforms gave a far more substantial pretext for action, most notably in the bank sector. Most shares here fell heavily, with Barclays off 40p, as the analysts began to count all those leasing chickens which seem certain to come home to roost in 1984.

In the gilt-edged market, all the excitement was over by lunchtime. The abolition of the investment income surcharge dealt another blow to low-coupon stocks and, after the Government Broker had duly run out his 1989 tap, there was not much to go for among high-coupon shorts, either. The Bank tried to make amends by trimming its dealing rates to conform with the new base rate structure but, with U.S. bonds still falling, that was hardly much comfort. The gilt-edged market did, however, deliver a back-handed compliment to the Chancellor's inflation assumptions – index-linked dropped like a stone.

Elsewhere, insurance brokers, food retailers and the stores reacted much as predicted to the Chancellor's fiscal changes. But the market's general enthusiasm also appears to have put new life into some of the analysts' rather staler "buy" stories. The brewers were the biggest gainers here, outperforming most other sectors, with Allied-Lyons up 8p to 171p and Grand Metropolitan up 8p to 324p.

BTR

The numbers look much bigger at BTR these days but, to judge from yesterday's preliminary statement, little else has changed. The original BTR business has retained the remarkable knack of extracting higher returns from declining volumes and, during 1983, operating margins climbed to no less than 18 per cent, of which roughly a point was attributable to currency movements.

The strong volume growth which was visible earlier this year in North America is steadily spreading eastward and there seems every possibility that BTR will eke out a little extra margin this year. But the real potential lies in Tilling, where margin growth of 1½ per cent would yield roughly £40m in extra operating profit. Starting from a base of only 4½ per cent, this seems an attainable target for 1984 and leaves the group as a whole capable of £270m pre-tax.

This presupposes, however, that BTR will manage to run net debt down from 85 per cent of shareholders' funds to near 55 per cent. Capital spending this year should run slightly ahead of depreciation and there is apparently little working capital to be shaken out of Tilling but a cash surplus of almost £200m should be achieved on this year's trading, with a little help from disposals. The shares were standing at an all-time high of 481p last night and yielding 2.5 per cent.

Trafalgar/P&O

The share price of P&O since last June has reflected complete confidence that the Monopolies Commission would allow Trafalgar House to come back with a fresh bid. After all – as the commission now reminds us – "ships are by their nature very mobile." In theory, therefore, anyone could steam into the UK cruising market at a rate of knots. So much for worries about market share.

So far as competition is concerned, the report's most interesting section is that which deals with the container shipping consortia – OCL and ACT – to which the two groups belong. The pressure on container rates is such that a rationalisation of the various container interests might become desirable even if it were not set in motion by a merger between Trafalgar and P&O. The commission's willingness in principle to allow a restructoring of the container companies is not very deeply submerged.

The chances of Trafalgar's making a new offer for P&O must be just about as finely balanced as P&O's chances of surviving the bid if it came. Trafalgar's equity has not run up as fast as that of P&O, but, even so, a revival of the old five for four terms would value P&O at 288p or over £400m. Asset value is probably something less than 350p a share; bridging this gap with cash might not strain Trafalgar's credit lines, but neither would it be entirely surprising if Mr Broackes baulked at £500m.

Stoltenberg seeks to block fines loophole

By James Buchan in Bonn

ANY CUNNING West German about to write off parking tickets as tax-deductible professional expenses has had his way blocked by no less a figure than Herr Gerhard Stoltenberg, the Finance Minister.

Herr Stoltenberg said after a Cabinet meeting yesterday that the Bonn Government would move as fast as possible to block a curious loophole opened by last month's West German fiscal court decision permitting fines arising out of business or professional activity to be set against tax.

The Munich Federal Finance Court's decision, made public on February 20, particularly distressed the Federal Cartel Office in Berlin, which last autumn fined 77 building companies DM 55m ($21.3m) for price collusion in public tenders. The office feared that its teeth had been pulled.

Some legal experts even thought that journalists, tax advisers and other inveterate double-parkers might be able to deduct their tickets on the ground that they were working.

"From time to time we come on surprising interpretations of the law even from the highest courts," Herr Stoltenberg commented.

The Government's Bill is expected to find all-party support and pass into law before the summer recess. The Finance Minister believes that it might be retroactive.

The fiscal court's tax ruling was made in the case of Colgate-Palmolive's Hamburg subsidiary, which was fined by the Cartel Office for violating competition regulations by distributing free samples.

Most British banks cut lending rates by half-point to 8½%

BY DAVID LASCELLES AND PHILIP STEPHENS IN LONDON

BRITAIN's commercial banks cut their base lending rate by half a percentage point yesterday, taking the rate to its lowest level since the Conservative Government came to power five years ago. At the same time they shaved deposit rates by ¼ point.

Only Barclays Bank, the largest, stuck at 8¾ per cent where it made an isolated move last week.

The reduction in the wake of Tuesday's budget was immediately endorsed by the Bank of England, which cut its dealing rates in the bill market by ¼ point, having cut them by a similar amount after Barclays' move.

The prospect of lower interest rates allowed the Government Broker to sell out of its 1989 Exchequer 10 per cent stock in initial trading at ¼ point premium to last week's issue price.

It brought small losses for sterling on foreign exchanges, however, although dealers reported underlying confidence in the currency.

Brokers estimated that the authorities sold up to £500m ($733m) of the tap stock in the first hour or so of trading, with a large chunk going to overseas investors impressed by the Chancellor of the Exchequer's economic strategy.

Gilts prices fell back later in the day, however, as brokers examined some of the fine print of the budget changes, and questioned whether the City of London's initial euphoria was completely justified.

Most government securities lost about ¼ point on the day's trading. Some analysts predicted further small losses today.

The budget has been seen as essentially bullish for the gilts market, but many of the budget measures had been discounted during the strong advance earlier this month.

Base rate was 13 per cent when the Tory Government came to power in 1979 and quickly drove it up to 17 per cent during the monetary squeeze. It briefly touched 9 per cent in 1983 before rising to 11 per cent last year. The last time base rate was below 9 per cent except for Barclays last week was in early 1978 when it stood at 7½ per cent.

Barclays stood aloof from yesterday's cut because it now uses a formula based on market rates to set its base rate, and these have not changed enough to justify another cut. A Barclays spokesman said of the other banks' reduction: "We are not followers."

The banks' caution was reflected however in their decision to cut deposit rates only ½ point.

Sterling lost ground against most currencies, closing at $1.4670, down 20 points on the day. It also eased to DM 3.7675 from DM 3.78.

Money markets, Page 49

Huge demand for UK issue

BY TONY JACKSON IN LONDON

INVESTORS yesterday oversubscribed by 96 times the share offer by Systems Reliability, the UK telephone monitoring equipment makers, following the company's full London listing.

The issue attracted applications worth £685m ($1,000m) for shares valued at £7.1m, it was revealed yesterday.

The company, which designs and builds systems for monitoring telephone use in private automatic telephone exchanges (PABX), offered 25 per cent of its equity at 270p per share. The company is now valued at £28.4m.

Two of its directors, Mr Harold Allsop, Chairman, and Mr Derrick Haden, Engineering Director, each retain 31 per cent of the equity.

The company's profits in 1983 were £2m after growing at an average of almost 90 per cent in the previous four years.

The issue, which was handled by Barclays Merchant Bank and stockbrokers Phillips & Drew, is one of the very few offerings on the main market in the past year to have been conducted on a fixed price basis, rather than by tender.

The last substantial offer of this type by Superdrug, the chemist chain, came to the market in February 1983. It was oversubscribed 95 times, and subsequently went to a first-day dealing premium over the offer price of 69 per cent.

Although SR's oversubscription nudges ahead of Superdrug's, it still falls short of the record, which belongs to Headquarter & General, the mail order group. H & G was oversubscribed 177 times when it came to the market in July 1963, and went bankrupt five years later.

The SR issue has been a happy hunting ground for the stags – those who speculate on buying new issues for immediate resale.

A Phillips & Drew spokesman said last night: "The level of oversubscription doesn't necessarily indicate that the issue was wrongly priced. With these things, you either get a failure or a very substantial level of success, with very little in between. This issue has been a success because the lads could see there was something to play for."

Mexico to host large Comecon trade fair

BY DAVID GARDNER IN MEXICO CITY

COMECON, the trading association of the Eastern bloc and Cuba, plans to hold a trade fair in Mexico in November. The event is billed as the biggest fair put on in a nonmember country.

The fair, to be known as Camexport, follows a recent barter deal between the Soviet Union and Mexico whereby the Mexicans will exchange their special steels for the oil industry for Soviet steel technology.

The two developments coincide with the U.S. threat to impose countervailing duties on Mexican steel exports, particularly of carbon steel wire rods, and a growing Mexican interest in developing barter trade at a time when it is rebuilding its foreign exchange reserves, and in diversifying its markets.

Mexico is involved in barter trade with Nicaragua, in part settlement of Managua's oil bill, and its President Miguel de la Madrid is expected to discuss barter arrangements with Venezuela, Colombia, Brazil and Argentina during a tour of South America due at the end of this month.

Mexican relations with the Soviet bloc have traditionally been at least courteous and often friendly. Mexico never yields to U.S. pressure to sever relations with Cuba, the only Comecon member in its region.

The diplomatic relationship has not, however, been reflected in trade between Mexico and Comecon. The total volume of trade between the two sides was $165m in the first 11 months of 1983.

The Comecon decision to hold the November trade fair responds to Mexican interests in upgrading the trading relationship.

UK to switch tax reform focus

Continued from Page 1

day, to 100 per cent of the value of a piece of new equipment in the first year.

The end of allowances will lead to a sharp drop in the banks' leasing business and their ability to shelter earnings from tax. The banks are specially vulnerable because they were caught by surprise and had only made a small provision against the tax liabilities that leasing allowed them to defer. Most banks provided only 25 per cent.

The remaining 75 per cent will now have to come out of shareholders' funds. Mr Keith Reynolds, analyst at de Zoete and Bevan, puts the total at £1.4bn for the four clearers. Others, such as Mr Noel Mercer at Panmure Gordon, put it slightly lower at £1.25bn.

Analysts are divided over what that means for bank profits. Mr Reynolds says it will be "a book-keeping transfer in the balance sheet." Others say banks face a sharp drop in post-tax profits, and will have to retain more of their earnings.

The cut in shareholders' funds will reduce the banks' equity cushion and makes it more likely that they will come to the market for more capital to pump it up again.

Bankers agreed yesterday that they faced higher tax charges, although they maintained that those would be less serious than the analysts are predicting.

Peter Riddell, Political Editor, writes: Mr Peter Rees, Chief Secretary to the Treasury, told MPs yesterday of the Government's plans to sell its minority stakes.

He did not name any companies, but the biggest groups in which the Government retains minority holdings are Britoil (49 per cent), Associated British Ports (48 per cent) and British Aerospace (48 per cent). In addition, the Government retains a 31.8 per cent holding in BP.

Mr Rees said the "mechanism of a special share may be used in appropriate cases to safeguard the national interest – as, indeed, has already been done in the case of Britoil, Amersham and Cable and Wireless."

Richard Johns and Philip Stephens write: The oil industry fears that it may be liable for more than £250m of the accelerated VAT payments as a result of the budget decision to abolish by October 1 postponed accounting for VAT on imports. The spirits and tobacco industries are also examining the proposal to see if goods in their bonded warehouses are affected.

Customs and Excise said last night that "arrangements in relation to goods withdrawn from warehouses have still to be worked out and customs and excise will consult with the industries concerned."

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	14	57	Dubrovnik	S	11	52	Malaga	-	—	—	Salzburg	S	7	45
Akrotiri	F	14	57	Faro	F	12	54	Malta	S	15	59	Seoul	F	12	54
Algiers	-	—	—	Florence	S	12	54	Manila	F	36	97	Singapore	C	32	90
Amsterdam	S	7	45	Frankfurt	F	7	45	Miami	C	26	79	Stockholm	S	3	37
Athens	C	10	50	Funchal	-	—	—	Milan	S	10	50	Strasbourg	S	7	45
Bahrain	C	22	72	Geneva	S	6	43	Moscow	F	4	39	Sydney	F	27	81
Bangkok	F	34	93	Gibraltar	F	14	57	Munich	C	2	36	Taipei	C	24	75
Barcelona	-	—	—	Guernsey	S	8	46	Nairobi	-	—	—	Tangier	C	14	57
Beirut	R	17	63	Helsinki	S	5	41	Naples	S	13	55	Tehran	-	—	—
Belgrade	C	7	45	H. Kong	C	25	77	New Delhi	F	35	95	Tel Aviv	S	14	57
Berlin	S	8	46	Innsbruck	S	6	43	New York	C	1	34	Tenerife	D	16	61
Biarritz	C	10	50	Inverness	F	7	45	Nice	S	13	55	Tokyo	Sn	4	39
Blackpool	C	6	43	Istanbul	F	6	43	Oporto	C	7	45	Toronto	Sn	-2	21
Bordeaux	C	11	52	Jersey	S	8	46	Oslo	S	1	34	Tunis	-	—	—
Brussels	S	7	45	Jo'burg	F	24	75	Paris	S	10	50	Valencia	F	11	52
Budapest	F	9	48	Las Palmas	F	18	64	Prague	S	6	43	Venice	S	9	48
B. Aires	C	23	73	Lima	F	25	77	Reykjavik	R	5	41	Vienna	S	7	45
Cairo	F	23	73	Lisbon	R	10	50	Rio de J'o	F	32	90	Warsaw	S	5	41
Cape Town	-	—	—	Locarno	S	9	48	Rome	S	14	57	Zurich	S	4	39
Caracas	C	28	82	London	S	9	48								
Casablanca	C	13	55	Los Angeles	R	22	72								
Copenhagen	S	4	39	Luxembourg	S	6	43								
Corfu	S	12	54	Madrid	C	10	50								
Dublin	C	4	39	Majorca	-	—	—								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

'Cowboys' get high-tech free range

Continued from Page 1

Representatives of Western electronic firms at the fair smile wanly at the publicity given to the VAX 780 computers recently impounded in West Germany and Sweden after being shipped to South Africa and then Sweden on their way to the Soviet Union.

The "cowboys," or grey market operators, are making a fortune out of elaborate re-routing operations for which the Soviet Union is prepared to pay to get the computers, the representatives said.

One European specialist, who preferred to remain unnamed, said: "Everyone knows that VAX 780s can be bought in Europe for $50,000 and driven through Western customs into Eastern Europe. But there is less money in it that way."

A representative of a large Western electronics company said that during a recent business trip to an East European country he was taken into a room packed with U.S.-made CAD-CAM equipment, all of which is on the embargo list.

Westerners note that business is fast slipping out of the hands of reputable companies, which can be monitored by governments, and into those of disreputable operators.

The representative of one well-known U.S. electronics company said that two thirds of his catalogue consisted of items either embargoed for the East or which required approval for export. Sitting in his booth at the fair, he gazes at a poster showing the company's 32-bit personal computer, which can neither be shown at the fair nor sold to Eastern Europe.

He said that controls made sense for such computers, which, when hundreds of them are linked together, might serve a military purpose. But his company is also barred from selling one of its smaller personal computers simply because it contains a 10-year-old Motorola microprocessor.

"If you want 500 of these microprocessors you do not buy 500 of our computers but simply walk into a shop and spend DM 500 for them," he said.

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SECTION II – INTERNATIONAL COMPANIES

FINANCIAL TIMES

Thursday March 15 1984

U.S. bank sues over $50m bond default

By Paul Taylor in New York

REPUBLICBANK of Dallas, which became the second largest banking group in Texas last year after buying the failed First National Bank of Midland, has sued Continental Illinois, the Chicago banking group, and seven other banks for $150m in damages.

RepublicBank reported a sharp 56 per cent decline in fourth-quarter earnings mainly because of higher energy-related loan losses and loan loss provisions. In the suit, it alleges that the banks deliberately deceived RepublicBank when they persuaded it to take over as a trustee for an issue of Nucorp Energy debentures.

Nucorp Energy, a California-based oil and gas exploration company, defaulted on the $50m debenture issue and other obligations when it filed for protection from its creditors under Chapter 11 of the U.S. bankruptcy code in July 1982.

Republicbank became trustee for the debentures in April 1982 after Continental Illinois and Mercantile National Bank at Dallas, part of Mercantile Texas, resigned as trustees for several Nucorp debenture issues. At the time the former trustees, which both had large loans outstanding to Nucorp, cited possible conflicts of interest, according to the suit.

However, the lawsuit alleges that the real reason for the simultaneous resignation of the two trustees was "the imminent financial collapse of Nucorp, of which they were both well aware, and which they sought to and did conceal" from the debenture holders and from RepublicBank.

Continental said it could not comment on the specific charges but was studying details of the suit.

Bilfinger dividend

By Our Financial Staff

BILFINGER and Berger, the West German construction group, says 1983 profits have been satisfactory despite a decline in the value of building work completed last year.

Construction work completed dipped to DM 3.52bn ($1.37bn) from DM 4.4bn in 1982.

Profits, however have been satisfactory, and provided "sufficient funds to make provisions for risks on foreign business and to pay an appropriate dividend."

Mattel reaches new financing agreement with creditor banks

BY PAUL TAYLOR IN NEW YORK

MATTEL, the loss-making U.S. toy group which is undergoing a major reorganisation following huge losses in its electronics and video games business, said yesterday that it has reached new financing agreements with its domestic and foreign bank lenders which will ensure adequate funding throughout the company's current fiscal year ending February 2 1985.

The California-based company, which is selling assets including its troubled Intellivision home computer and video games business and its Western Publishing unit, in order to concentrate on its profitable toys business, said that under the agreement with its domestic lenders its $349m in currently outstanding domestic bank debt will be converted to a term loan due in February next year.

Mattel, which is the largest toymaker in the world and whose products include Barbie dolls, Hot Wheels cars and Masters of the Universe characters, said the term loan is collateralised and provides for repayment of a portion beginning in mid-November.

Under the agreement Mattel will use all its current cash on hand and the proceeds from its announced sales of Western Publishing, Solid State Scientific Monogram Models and other assets to support its seasonal financing needs.

The company said its foreign operations will be adequately financed under a separate agreement with its foreign bank lenders.

Mattel said it is actively seeking, and has committed itself under the terms of the loan agreement, to complete a satisfactory plan to reduce its debt and rebuild its equity before the expiration of the agreement.

Last month the company said it will be forced to report negative net worth of about $150m in its accounts to January 28. Yesterday Mattel repeated its warning that it will report a significant fourth quarter loss due to its decision to classify its electronics, publishing and printing, and entertainment business segments as discontinued operations and to focus its resources on toy operations.

Robeco maintains dividend of Fl 13

BY WALTER ELLIS IN AMSTERDAM

ROBECO, the Dutch-based investment fund, is to maintain an unchanged dividend of Fl 13 per share for 1983 following a 5 per cent improvement in net profit for the year from Fl 264m to Fl 277m ($85.5m).

Total assets before profit allocation rose 37 per cent from Fl 5bn to just less than Fl 7bn. At the end of 1982 the spread of assets was: U.S. 37 per cent, Netherlands 19 per cent, Japan 15 per cent, other countries 22 per cent, liquid funds and other assets 7 per cent. The key American portfolio was fully hedged against a possible depreciation of the dollar. This cover is being maintained in 1984.

Robeco believes investors this year are likely to be more selective after the all-round surge in equities in 1983. They continue to see shares as an attractive long-term investment vehicle and forecast an increased number of issues to finance new activities.

Robeco itself issued new shares last year to a value of Fl 210m.

Profit for 1983 was taken from a number of basic industries, including oil, distribution and utilities in the U.S. In the Netherlands, where share prices rose strongly last year, investments were reduced while in West Germany there was an increase and in the UK a move away from the consumer goods sector to capital goods. The Japanese portfolio was increased slightly.

Shares in Robeco, which last year celebrated its 50th anniversary, are traded on 19 of the world's leading stock exchanges. The company, based in Rotterdam, is the biggest of its kind outside the U.S. and is part of the overall Robeco group which includes Rodamco, Rolinco and Rorento.

● VNU, the Dutch publishing group, has confirmed its sharp recovery in 1983 with earnings for the year of Fl 35m – up 85 per cent on 1982.

Sales rose 8 per cent to Fl 1.4bn and the operating result by 35 per cent to Fl 57m.

Bouygues buys two French groups

By David Marsh in Paris

BOUYGUES, the fast-growing French construction company, has stepped up diversification efforts by agreeing to buy a majority stake in two family-owned French groups capitalised at more than FFr 80m ($10.1m) active in the water distribution and electrical fields.

It has agreed to buy control from the family owners of Societe d'Amenagement Urbain et Rural (SAUR), which is France's third largest water utility group, and also of its sister company Entreprise Transport et Distribution d'Electricité (ETDE).

Terms of the takeover of the two groups, with a capital of FFr 63m and FFr 21m respectively, were not disclosed by Bouygues yesterday.

SAUR, which ranks third in its field after the two giant water utilities Compagnie Generale des Eaux and Lyonnaise des Eaux, made a net profit of about FFr 50m last year on a turnover of FFr 2.1bn. It is active abroad in the Ivory Coast, Cameroon, Gabon and Canada.

ETDE, which is specialised in cable laying and installation of electrical and telecommunications networks, made earnings of around FFr 10m last year on FFr 600m turnover.

The diversification moves by Bouygues, which has just announced a 10 per cent increase in consolidated profits last year to FFr 320m follow efforts to extend its activities in other areas such as the U.S. offshore drilling market.

Non-recurring costs hit Sandvik profits

By David Brown in Stockholm

SANDVIK, the Swedish cemented carbide and stainless steel manufacturer, incurred a pre-tax loss of SKr 721m ($94.8m) in 1983, compared with a profit of SKr 88m the previous year, according to final figures.

The directors recommend the dividend be cut from SKr 10 to SKr 8 per share, but forecast a pre-tax profit of "at least" SKr 500m this year, after "sweeping" rationalisation steps.

The result was charged with considerable non-recurring costs totalling some SKr 1.8bn for restructuring, exchange, and currency speculation losses, but includes a SKr 450m gain from the sale of hydropower assets.

Return on total capital employed fell from 9.1 per cent to 4.4 per cent, and adjusted profit per share declined from SKr 18 to a loss of SKr 3.

Sales advanced from SKr 9.3bn to SKr 10.1bn.

Itel shows $1m loss in quarter

By Our Financial Staff

ITEL, the U.S. railcar and container leasing company which emerged from Chapter 11 bankruptcy protection in September, posted a $1m loss on continuing operations in the fourth quarter, the first full quarter since completing its reorganisation.

The loss compares with profits of $3.9m on a continuing basis in the 1982 quarter and a loss of $3.2m in the third quarter of 1983. The latest loss would have been $3.8m if $2.8m of interest on Itel's 10 per cent stock had not been forgiven as part of the reorganisation.

For 1983 as a whole net earnings from continuing operations were $4.5m against $13.7m. Final net earnings were still heavily distorted by the effects of the reorganisation and, including earnings from discontinued operations and tax loss carry forwards, fell from $45.8m to $17.7m.

Revenues slipped from $149.2m to $144.8m, with $33.1m (against $37.3m) in the latest quarter.

Wagon-Lits sees setback

By Paul Cheeseright in Brussels

COMPAGNIE Internationale des Wagon-Lits et du Tourisme, the travel, hotel and catering group, expects net income for 1983 to be slightly lower than the BFr 400.6m ($7.6m) earned in 1982.

Turnover has risen between 4 per cent and 7 per cent in the group's four main divisions – railway sleeping cars and restaurants, hotels, catering and travel operations – to give a total of BFr 36.6bn, excluding value added tax.

Republic and LTV move towards merger deal

BY TERRY DODSWORTH IN NEW YORK

HOPES ARE rising on Wall Street that the U.S. Justice Department will reach agreement with LTV and Republic Steel on a restructuring of their merger proposals which will be acceptable to the department's anti-trust division.

Talks on the deal, which was opposed by the Justice Department in its original shape, are due to resume tomorrow amid indications that the two sides have moved some way towards a settlement of their differences. After discussions earlier this week, Mr Julian Scheer, a senior vice-president at LTV, said some "progress" had been made.

The Justice Department has been under increased pressure from other parts of the Administration to come to some sort of compromise arrangement with the two steel groups, mainly because of fears that opposition to U.S. rationalisation will lead to greater pressure for import controls.

In a succession of talks at the Justice Department since the decision in mid-February, the two sides are believed to have concentrated on the main areas of contention over stainless steel and rolled carbon steel products.

In both these areas the department has been demanding some divestment to reduce the potential concentration, which would amount to around 50 per cent in the case of stainless steel. One possibility being canvassed on Wall Street is for a sale to an overseas company, and it is widely believed that Republic may be preparing to shed its carbon steel facilities at Gadsden in Alabama.

The key to keeping the bid alive, however, may well lie in the department's willingness to allow the two steel groups to retain their large carbon steel works in Cleveland, Ohio. The two groups own rolling mills facing each other across a river in the city, and one of the main advantages of the deal would probably lie in rationalising these facilities.

FFr 180m aid for Boussac

BY OUR PARIS STAFF

BOUSSAC Saint-Freres, the struggling French textile group which has been in the hands of court appointed receivers for nearly three years, has been granted a FFr 180m ($22.7m) low-interest loan from the government-controlled Industrial Development Institute. The money will help the group to solve pressing cash problems over the next few months.

IDI owns a stake of just over 50 per cent in the management company formed to run Boussac's affairs in 1982. The loan comes in response to growing pressure from Boussac for a total of FFr 600m in state finance to back investment and stem losses this year.

A board meeting this week decided on a FFr 402m investment programme for 1984 spread among the company's five operating areas in textiles, clothing, linen, hygiene products and industrial goods. This will call for actual spending of around FFr 200m in 1984, since the rest will be spread across other years.

The company is in the midst of crucial talks with unions on proposals to cut its workforce by a further 1,500 over the rest of the year, bringing staff levels down to around 15,000 by end-1984 and perhaps 12,000 by end-1987.

Accounting change lifts ITT result

BY OUR NEW YORK STAFF

ITT, the U.S. multi-national conglomerate reported higher fourth-quarter and full year net income. The figures mainly reflected an accounting change which resulted in the restatement of earnings for the first three quarters of last year, and the 1982 full year results.

Net income for the 1983 fourth-quarter increased by 13.5 per cent to $278m, or $1.86 a share, from a restated $245m or $1.65 a share.

Turnover for the period, including insurance and finance insurance operations, increased by 4.1 per cent to $5.7bn, against $5.5bn in the 1982 quarter.

Insurance and finance revenues for the period increased by 7 per cent to $1.6bn. Excluding divested units, and foreign exchange translation effects, sales and revenues increased by 8.6 per cent.

ITT's full-year results were much as expected, reflecting a turnround in some of the company's key markets. The group showed a 1.8 per cent increase in net income to $675m or $4.50 a share, compared with a restated $663m, or $4.47 a share. Earnings reported for 1982 prior to the restatement were $703m, or $4.75 a share.

Marginal setback for Sea Containers

By William Hall in New York

SEA Containers, the Bermuda-based shipping and container leasing group earned $38.5m in 1983, compared with $40.3m in 1982, but its sister company, the New York-based SeaCo lost $35.7m in the same period.

Sea Containers has been hit by the worldwide recession in the shipping industry and late last year announced that it was selling the bulk of its container ship fleet. Since June 1976 the shares of the two companies have been linked by a pairing arrangement, which was designed to allow the earnings of the Bermuda company to flow directly to shareholders free of taxation in the U.S.

However, following changes in legislation, which would have had the effect of making the the Bermuda company a subsidiary of SeaCo, the U.S. company, the group has decided to de-pair the shares, which takes effect from today. In terms of assets, the Bermuda-based Sea Containers is more than four times the size of the New York-based SeaCo. Mr James Sherwood, president of Sea Containers said that he expects a significant increase in net earnings in 1984.

The sale of the "Contender Bezant" to the British Government took effect yesterday and this should enable the shipping division to make a profit in the current year.

Chrysler up at C$ 118m

By Our Financial Staff

CHRYSLER CANADA, a wholly owned subsidiary of the third largest U.S. vehicle-maker, boosted 1983 net earnings to a record C$ 118.8m (U.S.$94.5m) against C$ 16.8m in 1982.

INTL. COMPANIES & FINANCE

Fletcher Challenge stages sharp first-half advance

BY DAI HAYWARD IN WELLINGTON

FLETCHER CHALLENGE, New Zealand's biggest company recorded a profit of NZ$64.5m (U.S.$43.3m) for the six months ended December 31, up NZ$20.2m from the previous year.

Earnings from New Zealand operations more than doubled to NZ$40.8m, while North American operations contributed NZ$23.7m.

All operations showed good results, with the exception of the Canadian and New Zealand pulp and paper interests, and property and construction in Australia.

The company has declared a dividend of 8.5 cents (7.5 cents) a share which follows a dividend in June of 9.5 cents.

An increase of 18.5 per cent in export earnings, to NZ$160m, helped boost overall sales by 55 per cent to NZ$1.67bn. Earnings per share were 27.1 cents (9.2 cents).

Financial services, which include the finance houses of Broadbank and Marac Holdings (60 per cent owned by Challenge), showed profits up from NZ$5.6m to NZ$8m despite "increased government intervention and a volatile market."

Tasman Pulp and Paper, FCL's forestry subsidiary, showed a profit for the first time in two years and helped the forestry operations to increase their profit from NZ$8.8m to NZ$11.2m.

Crown Forests of Canada, which has been 96 per cent owned by Fletcher Challenge since March 1983, recovered from a loss of NZ$18.6m to a NZ$2.1m loss in 1983. Earnings from North America were NZ$23.7m, and prospects are described as favourable.

Other sectors which contributed to the overall results were construction (NZ$7.1m compared with NZ$3.8m), steel (NZ$7.8m compared with NZ$4.8m), rural trading (NZ$2.6m profit against NZ$500,000 loss) and building materials NZ$4.1m compared with NZ2.1m).

● Alex Harvey Industries, New Zealand's largest building products and packaging manufacturer — which is 56 per cent owned by Australian Consolidated Industries — has made a NZ$45m agreed bid for Smith and Smith, an old established, privately-owned firm of hardware merchants.

Pre-tax profits surge 78% at Boustead

By Wong Sulong in Kuala Lumpur

BOUSTEAD HOLDINGS, the diversified Malaysian group, has registered a 78 per cent increase in pre-tax earnings to 36.1m ringgit ($15.5m) for 1983 on turnover which rose 22 per cent to 294m ringgit. Earnings equalled 8 cents a share, compared with 4.8 cents for 1982.

The group experienced a strong improvement in its plantation, property and investment divisions, but its trading and shipping operations were hit by a sluggish market.

The plantation division, benefiting from firm commodity prices, had pre-tax profits of almost 28m ringgit, compared with 13.8m ringgit previously.

The final dividend is 3.75 cents a share, making an unchanged total of 7.5 cents for the year.

Boustead, which was Malaysianised in 1976, still has a strong British shareholding—probably between 10 to 15 per cent.

Pet food problems slow growth rate at Arnotts

BY LACHLAN DRUMMOND IN SYDNEY

PROBLEMS IN pet foods and snack products took a bite out of earnings growth for Arnotts, Australia's leading biscuit maker, in the half year to December 31, restricting the advance in net profits to 9 per cent from A$10.84m to A$12.26m ($11.9m).

The snack food operation was affected by extremely high potato prices while production problems were encountered in pet foods as the company closed two plants and expanded another, which combined to take the shine from a stronger performance in biscuits.

The company wins around two-thirds of its sales from biscuits, and turnover for the latest period was 1.3 per cent higher at A$230m, although the joint venturing of its snack food operations with Pepsico of the U.S. and the sale of stock feed interests affected the latest total.

The net profit was after tax of A$9.22m, against A$8.55m, while interest charges were sharply lower at A$768,000, against A$2.48m, reflecting the group's reorganisation.

The result is after minority interests of A$415,000 (A$349,000) but excludes A$2.25m of extraordinary gains from the stock feed disposals.

The interim dividend has been raised from 5.5 cents a share to 6 cents.

● Burns Philp, the Australian-based diversified manufacturing and Pacific islands trading group, almost doubled attributable net profit in the six months to December 31 to A$10.75m (U.S.$10.2m) from A$5.6m, adds our Financial Staff.

Earnings per share were 16.7 cents against 8.8 cents, while an unchanged dividend of 7.5 cents will be paid.

The improvement in profits was achieved on sales up only 3 per cent to A$640m. The management ascribed it to the first results of a long-standing rationalisation programme.

EGPC to issue 30% of equity

BY ANGELA DIXON IN ABU DHABI

THE United Arab Emirates' General Petroleum Corporation (EGPC) has released further details of its proposed partial privatisation. Mr Shaiba al-Hamili, deputy chairman, said that the proposed share mix would be between 30 and 40 per cent for the public (UAE nationals only) and between 60 and 70 per cent for the Government.

EGPC is the Federal body, founded in 1980, which is responsible for the marketing and supply of refined petroleum products in the less well-off northern Emirates. Its largest project at present is the supply of gas from Sharjah's Saja field to the power stations and cement factories in the northern Emirates, the pipeline network for which is almost complete. Sharjah's Layyah power station, which forms part of the network, has been running on gas for some months.

In 1983 a $190m syndicated loan had to be abandoned because of a limitation clause in the corporation's constitution. Though this clause has since been amended, funding of the gas project is now being arranged almost entirely through supplier credits, and promissory note financing.

When Government intentions to make a public share offer in EGPC were first aired last November, some banks were surprised since they were unaware of any provision in the corporation's constitution which allowed for a change of ownership while the company is a borrower. Many UAE banks, both local and foreign, are involved in the funding of the project.

EGPC is owned 100 per cent by the UAE Government. It has a paid-up capital of around $100m, though its authorised capital is over $800m.

Big losses for Gulf investment companies

By Mary Frings in Bahrain

TWO PUBLICLY quoted Gulf investment companies, both of them registered as offshore companies in Bahrain, has declared substantial losses for 1983, leading to an erosion of capital funds.

After making provision of $54.6m against its holding of post-dated cheques and $5.6m against a decline in the value of quoted securities, Gulf Investments (GIC) had registered a consolidated deficit of $56.8m. Together with a foreign currency exchange loss of $20m, this reduced the company's net worth from $380m to $304m.

Gulf Consolidated Company for Services and Industries (GCSI) wrote off its post-dated cheque as bad debts at a cost of $15.8m and made other provisions totalling $23m. Its deficit was $31.6m with the company's net worth falling from $162m to $130m.

● Bahrain Middle East Bank wishes to point out that Kuwaiti shareholders do not own a majority of the bank, although with an aggregate of 40 per cent they are the largest single shareholder group. Bahraini investors are registered as owning 27 per cent, and the remaining shares are distributed among nationals of other Gulf states. No single entity holds more than 5 per cent.

Tough trading conditions hit AMIC result

By Our Johannesburg Correspondent

DETERIORATING TRADING conditions were experienced by Anglo American Industrial Corporation (AMIC), the 46 per cent-owned industrial arm of the South African mining house Anglo American Corporation, in the heavy engineering and motor sectors in 1983.

Slack demand for heavy engineering products contributed to a turnover decline to R1.6bn ($1.4bn) from R1.7bn and a drop to R211.8m from R243.1m in trading profit, calculated before tax and income from associated companies.

Despite management optimism at the start of 1983 the 50 per cent-owned Sigma motor manufacturing associate increased its operating loss to R69.1m from R55m. The other half of Sigma equity is owned by Anglo American Corporation. AMIC's R34.6m share of the Sigma loss was charged in full against its share of the retained earnings of associated companies which consequently fell to R21.5m from R32.8m. Dividends from associates were lower at R61.6m against R68.1m.

The Times sisters strengthen their grip on Singapore publishing

BY CHRIS SHERWELL IN SINGAPORE

ANYONE LOOKING for a private sector corporation in Singapore which seems to capture the essence of the island state's way of life need look little further than the Times Organisation.

Its newspaper and publishing businesses — Straits Times Press and Times Publishing— make pots of money, concentrate on what they do best, dominate their opponents, are committed to high technology futures, and trumpet the Singapore cause to a fault.

It was not always this way. The flagship newspaper — the English-language morning daily, the Straits Times — was highly critical of Lee Kuan Yew ahead of the 1959 election victory which made him Prime Minister. It did not always see eye to eye with him in subsequent years either. Relations reached a nadir over the paper's coverage of an opposition politician's rare victory in a by-election.

Two years ago the Government, exasperated at the company's ostensible failure to contribute positively to Singapore's growth and development, decided to act. A straight takeover of Straits Times Press was considered, but instead, a trusted official, Mr S. R. Nathan, was put in as executive chairman, and the company's New Nation evening newspaper and the Sunday Nation were taken away for three years.

These were transferred to the rival Singapore News and Publications, which publishes the papers in its own style as the Singapore Monitor together with two Chinese language newspapers that were merged at the same time as part of the giant government - inspired shake-up of the industry.

Singapore News and Publications is now expected to start pitting the Monitor directly against the Straits Times, probably when the Straits Times Press is allowed to resume publication of the New Nation titles next year. Straits Times Press has yet to decide the form in which its papers will return—much depends on the Monitor.

Financially, Straits Times Press appears not to have suffered by its deprivation. In December, Mr Nathan reported that group turnover had risen 10 per cent to S$133.8m (U.S.$64m), while group trading profit was up almost 53 per cent to S$29.3m (U.S.$14m) on higher profit margins. Also helping to keep costs low is the group's early conversion to new technology—it even has a linotype machine as a museum piece in its headquarters' main foyer.

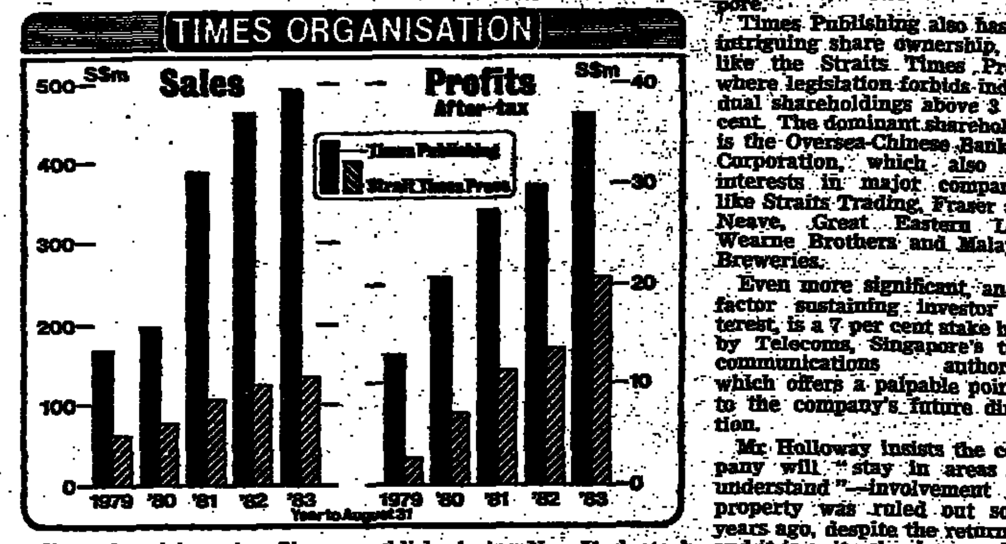
To outsiders seeing its pages stuffed full of expensive advertising, the bulky Straits Times looks like a licence to print money. Of S$327m spent on media advertising in Singapore last year, a cool S$185m—56.5 per cent—went to the press, and a sizeable proportion of that to Straits Times Press, which also publishes two Malay papers and a Chinese paper.

Advertising agencies acknowledge ruefully that they must often book a campaign for their clients two months in advance to be sure of access to the Straits Times. Circulation, meanwhile, is persistently climbing, rising 11,000 last year to reach 238,000 a day, with the Sunday edition doing even better at 254,800, up 16,600.

The Straits Times keeps the split of its advertising and circulation revenues a closely guarded secret — employees, advertising agencies and stockbroking analysts say they do not know the breakdown. "We'd probably be stopped from publishing altogether if it was known," jokes a knowledgeable insider.

That the Straits Times sells so well in a population of 2.5m is a mystery to those who find its upbeat, uncritical content both unrealistic and unhelpful. Indeed, the way it has become "suited to Singapore," as the saying goes, is a regular complaint from readers used to the Western press.

But plainly the monopoly helps, as does the fact that the international editions of the Herald Tribune and Wall Street Journal, even with publication in Singapore, cannot publish closing New York stock prices and make it to local breakfast tables in time.



For the organisation as a whole, however, Times Publishing is undoubtedly the more interesting company, even if it is less controversial. For a start, turnover is much higher, at S$491m (up from S$462m in 1982), and so are profits, with pre-tax figures of almost S$60m last year after S$53m in the previous 12 months.

The company is also cash-rich, not least after its recent S$68m sale of its stake in its Malaysian counterpart, the New Straits Times Press, based in Kuala Lumpur. With 42 subsidiaries and 22 associated companies spread across South-East Asia, Australasia, Western Europe and the U.S. people are watching and waiting for the company's next steps.

Mr Lyn Holloway, senior director, who is also a director of Straits Times Press, won't say what the company's main profit centres are, but it is clear that distribution is lucrative for its lack of risk—Times Distributors, for example, now has 500 magazine titles, including 145 from IPC and 300 from Hachette Gotch in Britain.

Likewise, newspapers like the Borneo Bulletin in Brunei make money because of their monopoly and advertising revenues, while Times Printing has the contracts to print the Wall Street Journal, Time magazine and The Economist in Singapore.

Times Publishing also has an intriguing share ownership, unlike the Straits Times Press, where legislation forbids individual shareholdings above 3 per cent. The dominant shareholder is the Oversea-Chinese Banking Corporation, which also has interests in major companies like Straits Trading, Fraser and Neave, Great Eastern Life, Wearne Brothers and Malayan Breweries.

Even more significant, and a factor sustaining investor interest, is a 7 per cent stake held by Telecoms, Singapore's telecommunications authority, which offers a palpable pointer to the company's future direction.

Mr Holloway insists the company will "stay in areas we understand"—involvement in property was ruled out some years ago, despite the returns—and it is quite clearly spreading geographically, taking over Marshall Cavendish in the UK and casting round for similar targets in the U.S.

But the Telecoms stake suggests local areas of expansion in cable if political hurdles can be cleared and perhaps in producing news tailored to the needs of different groups of housing estates in Singapore. Regionally and further afield, the obvious area of expansion is into information technology.

Information retrieval systems based on Singapore's self-image as a future "brain centre?" Direct broadcasting by satellite? "That sort of thing," says Mr Holloway non-committally.

"In Singapore it is easy to get sucked in because you feel you must invest but can't find the right opportunity. We've identified an opportunity, and we're pursuing it. It could come to fruition in six to nine months, but it won't make a lot of money, and it will need a lot of investment and stamina."

A copy of this Offer for Sale, having attached thereto the documents specified herein, has been delivered to the Registrar of Companies for registration.
Application has been made to the Council of The Stock Exchange for the whole of the issued share capital and Warrants of Charterhouse J. Rothschild Pacific Investment Trust plc ("the Company") to be admitted to the Official List.
This document includes particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information with regard to the Company. The Directors have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. All the Directors accept responsibility accordingly.
The Application List for the 40,000,000 Ordinary Shares (with Warrants) now being offered for sale will open at 10 a.m. on Tuesday, 20th March, 1984 and may be closed at any time thereafter. The procedure for application is set out at the end of this document.
No person receiving a copy of this Offer for Sale and/or an application form in any territory other than the United Kingdom may treat the same as constituting an invitation to him, nor should he in any event use such application form, unless in the relevant territory such an invitation could lawfully be made to him and such form could lawfully be used without compliance with any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application hereunder to satisfy himself as to full observance of the laws of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities needing to be observed in such territory.
Charterhouse J. Rothschild plc has agreed to subscribe 10,000,000 Ordinary Shares (with Warrants) in the Company. The Offer for Sale of a further 40,000,000 Ordinary Shares (with Warrants) has been fully underwritten and the Directors are aware of intended applications *for 27,500,000 of such Ordinary Shares (with Warrants) which will be accepted in full.*

Charterhouse J. Rothschild Pacific Investment Trust plc

(Incorporated under the Companies Acts 1948 to 1981 with Registered Number 1796112)

Offer for Sale
by
Charterhouse Japhet plc
of
40,000,000 Ordinary Shares of 25p each (with Warrants) at 100p per share

payable in full on application

SHARE CAPITAL

Authorised		*Issued and to be issued*
£20,000,000	in Ordinary Shares of 25p each	£12,500,000

The Company has created Warrants to subscribe a total of 10,000,000 Ordinary Shares.
The Ordinary Shares now being offered rank in full for all dividends and other distributions hereafter declared, made or paid.

INDEBTEDNESS

The Company has no loan capital (including term loans) outstanding, or created but unissued, no mortgages or charges or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase commitments, or guarantees or other material contingent liabilities.

DIRECTORS
Richard Chicheley Thornton (Chairman)
The Hon. David Charles Samuel Montagu
Nils Otto Taube
all of 66 St. James's Street, London SW1A 1NE.
Jean-Loup Chenut
of 21 rue de Châteaudun, 75 447 Paris Cedex 09.

INVESTMENT MANAGERS
J. ROTHSCHILD CHARTERHOUSE MANAGEMENT LIMITED,
17-19 Don Street, St. Helier, Jersey, Channel Islands.
8th Floor, Printing House, 6 Duddell Street, Hong Kong *(Temporary Address)*

SECRETARIES AND REGISTERED OFFICE
J. ROTHSCHILD & COMPANY LIMITED
66 St. James's Street, London SW1A 1NE.

REGISTRARS AND TRANSFER OFFICE
NATIONAL WESTMINSTER BANK PLC,
Registrar's Department,
PO Box 82, 37 Broad Street, Bristol BS99 7NH.

RECEIVING BANKERS
NATIONAL WESTMINSTER BANK PLC,
New Issues Department,
PO Box 79, 2 Princes Street, London EC2P 2BD.

BANKERS
NATIONAL WESTMINSTER BANK PLC,
15 Bishopsgate, London EC2P 2AP.

BROKERS
CAZENOVE & CO.,
12 Tokenhouse Yard, London EC2R 7AN.

SOLICITORS
To the Company:
STEPHENSON HARWOOD,
Saddlers' Hall, Gutter Lane, Cheapside, London EC2V 6BS.
To the Issue:
LINKLATERS & PAINES,
Barrington House, 59/67 Gresham Street, London EC2V 7JA.
To Charterhouse J. Rothschild plc:
S J BERWIN & CO,
Capital House, 42 Weston Street, London SE1 3QN.

AUDITORS AND REPORTING ACCOUNTANTS
PEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants,
1 Puddle Dock, Blackfriars, London EC4V 3PD.

INTRODUCTION

The Company has been established by Charterhouse J. Rothschild plc ("CJR") in order to take advantage of the opportunities for investment in Japan and other Pacific markets. The funds raised by the Offer for Sale will amount to approximately £38.4 million after expenses and in addition £10 million is being subscribed by CJR. Pending investment in accordance with the investment policy referred to below, these funds will be invested in short term Yen obligations.

INVESTMENT POLICY

The Company will invest principally in Japanese equity securities. However, there are a number of other economies in the Pacific area which have had high growth rates over recent years and where investment opportunities also lie. Of particular interest are the markets of Australia and Malaysia — countries with considerable natural resources — and the markets of Hong Kong and Singapore. In addition, a small portion of the Company's funds may be invested in the developing economies of South Korea and Taiwan as they become stronger and the opportunities become available. Funds may from time to time be invested, on a short term basis, in fixed interest securities denominated in any of the leading currencies. It is not intended that equity investments will be made in North or South America.

The Company will invest primarily for capital appreciation,

There will be no limitation on the size of companies in which investments are made but not more than 10 per cent. of the Company's assets will be lent to or invested in the securities of any one company, nor will the Company invest more than 10 per cent. of its assets in unlisted securities.

Investment in non-sterling securities carries with it the risk of currency fluctuations. However, the Board strongly believes that the Japanese Yen is undervalued against other leading currencies.

The Company will have power to borrow an amount not exceeding its capital and reserves but it is not intended that the Company will have recourse to borrowing powers in the foreseeable future.

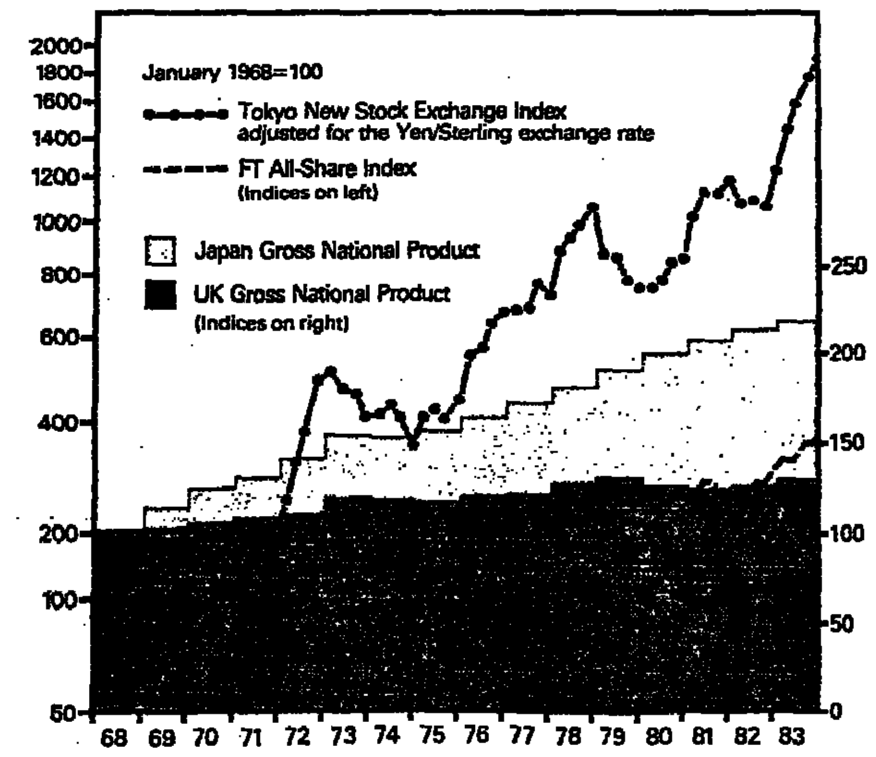
THE JAPANESE MARKET

Japan has the second largest economy in the free world and over the last decade its average annual growth rate of 3.7 per cent. has exceeded that of any other major industrialised nation. Although the worldwide recession has affected Japan, output increased by 12 per cent. during the three years 1980 to 1982 compared with a fall in United Kingdom output of over 2.5 per cent. in that period. In 1983, output is estimated to have grown by around 3.5 per cent. in Japan compared with 3 per cent. in the United Kingdom.

The slow-down in worldwide economic growth has stimulated Japanese companies to look for new markets and to adapt in order to become more competitive. Japanese companies are exploiting, in particular, the rapidly expanding markets for high technology products and, as Japan has limited natural resources, careful attention has been paid to long-term planning and to the development of new areas of expansion. There is a clear trend of companies establishing their own research and development programmes rather than relying, as previously, on Western technologies. This change in direction has been encouraged by the Ministry of International Trade and Industries and has been assisted by the well educated, skilled and highly motivated work force. Traditionally there has been a close link in Japan between employers and their employees and this strong allegiance between companies and their workforces has been fostered by the establishment of unions on an enterprise rather than a craft basis. The figure for unemployment in the middle of last year stood at 2.6 per cent.

The success of the Japanese approach is reflected in the recent marked recovery in exports and the consequent substantial balance of payments surplus. In 1983, the rate of inflation was reduced to 2 per cent. The export-led recovery is being supported by measures, notably tax cuts, taken by the Japanese Government designed to reflate the economy.

The very high rate of growth before the first oil crisis in 1973 has been followed by a lower, but still substantial, growth rate both by the Japanese economy in general and by the stock market in particular. The Directors believe that this is largely due to the policies pursued by the Japanese authorities, including the Bank of Japan, which have produced steady growth and low inflation by means of a carefully controlled money supply. This has contributed to widespread confidence in the Japanese economy and has materially assisted the steady upward trend in the stock market index over the last 10 years. The Directors expect that the policy of controlled expansion of the economy will continue.



The Japanese Stock Markets, taken as a whole, constitute the second largest stock market in the world in terms of market capitalisation. The chart set out opposite left shows the Tokyo New Stock Exchange Index, adjusted to reflect the Yen/Sterling exchange rate, and the Financial Times All-Share Index for the years 1968 to 1983. The chart also shows the gross national products (indexed to 1968) of Japan and the United Kingdom adjusted to 1980 prices.

DIRECTORS OF THE COMPANY

Mr. Richard Thornton, aged 52, is Chairman of the Company. He was formerly a director and the chief investment officer of G.T. Management Limited of which he was one of the founders in 1969. Mr. Thornton is a director of a number of listed companies, including several investment trusts, and is also a director of J. Rothschild Charterhouse Management Limited ("JRCM").

The Hon. David Montagu, aged 55, is a director of CJR and is Chairman of its investment management subsidiary, J. Rothschild Investment Management Limited. Mr. Montagu has numerous other directorships including The Ailsa Investment Trust and The Fleming Overseas Investment Trust (of both of which he is chairman) and Drayton Japan Trust.

Mr. Nils Taube, aged 55, is a director of CJR and chief executive of J. Rothschild Investment Management Limited. Previously he was the senior partner of Kitcat & Aitken, Stockbrokers, in which the CJR Group has a 29.9 per cent. interest. Mr. Taube has a number of other directorships both inside and outside the CJR Group.

Mr. Jean-Loup Chenut, aged 44, is investment manager of Assurances du Groupe de Paris.

INVESTMENT MANAGEMENT — JRCM

The Directors will be responsible for the determination of the Company's investment policy. JRCM has been appointed investment manager on the terms of the investment management agreement summarised in paragraph 5(i) under "Statutory and General Information" set out below.

JRCM is a 60 per cent. subsidiary of CJR and the remaining shares are held by members of the management team, initially consisting of Mr. Thornton, Mr. Colin Hook and Mr. Michael Bunker. Mr. Hook has lived in Asia for over 10 years. He has a background in investment and research and was, until recently, Managing Director of the International Division of San Miguel Corporation, with particular responsibility for group strategy, mergers and acquisitions and property investments. Mr. Bunker has for a number of years been responsible for the management of the Far Eastern investments of the Target Unit Trust Group (in whose management CJR has a 60 per cent. interest) and other CJR Group interests in the Far East. Mr. Hook and Mr. Bunker will be based in Hong Kong.

Charterhouse J. Rothschild Pacific Investment Trust plc *continued*

JRCM, in addition to advising the Company, will assume the management of the various Far Eastern investment interests, currently valued at approximately £59 million, managed by the CJR Group.

DURATION OF THE COMPANY

Unless a special resolution is passed releasing them from that requirement, the Directors must convene an Extraordinary General Meeting of the Company in 1994 at which a resolution will be proposed to wind up the Company. Shareholders will be bound to vote in favour of the winding-up resolution.

ORDINARY SHARES

The sale of 40,000,000 Ordinary Shares of 25p each (with Warrants) at 100p per share will, after deducting the expenses of the Offer for Sale, raise approximately £38.4 million for the Company. CJR has, in addition, agreed to subscribe £10 million in cash for 10,000,000 Ordinary Shares (with Warrants), which it intends to hold as a long-term investment.

Mr. Thornton and his family interests will, as part of the underwriting, be applying for 750,000 Ordinary Shares (with Warrants) and such applications (which are included in the intended applications mentioned above) will be accepted in full.

WARRANTS

Purchasers of Ordinary Shares under the Offer for Sale and CJR will receive Warrants conferring, in respect of every five Ordinary Shares acquired, the right to subscribe one Ordinary Share of the Company at 100p. These subscription rights will be exercisable on 31st August in any of the years 1985 to 1989, or if later on the date 30 days after the despatch of the Company's audited accounts for the preceding year. Full particulars of the Warrants are set out below.

The Ordinary Shares and Warrants will be listed and transferable separately.

DIVIDEND POLICY

The stated investment objective of the Company is capital growth; inevitably, therefore, the income yield on its investments will be low. In addition, the yield on Japanese securities is in general comparatively low. Accordingly, the Directors expect that dividends for the foreseeable future will be small. Within these constraints, it is intended that substantially all the net revenue surplus (if any) will be distributed.

TAXATION

(1) General

The Directors intend to conduct the affairs of the Company in such a way that the Company satisfies the conditions for approval as an investment trust laid down in Section 359 of the Income and Corporation Taxes Act 1970 (as amended) and intend to apply to the Inland Revenue for such approval. Such approval is granted retrospectively and, if it is granted in respect of each accounting period, the Company will, as a result of the provisions of the Finance Act 1980, be exempt from corporation tax on its chargeable gains.

The Company's income (including income from overseas securities) after deduction of management expenses and charges on income will be subject to corporation tax in the normal manner. Income arising outside the U.K. may be subject to withholding tax at varying rates but double taxation relief will generally be available.

The Directors consider that the Company will not be a close company immediately following the completion of this Offer for Sale.

Shareholders in the Company may, depending on their personal circumstances and the availability of reliefs, be liable to United Kingdom taxation on chargeable gains arising from the disposal of their shares in the Company.

In the event of a winding-up of the Company (see Duration of the Company above) the Directors have been advised that, under present law, the receipt of distributions in the liquidation of the Company would operate as a disposal or part disposal of shareholdings in the Company. If thought desirable at the time an application would be made for any appropriate tax clearances.

(2) Warrants

The Directors have been advised that under current law and practice for the purposes of United Kingdom taxation of capital gains:—

(a) the cost to shareholders of subscribing Ordinary Shares (with Warrants) will be apportioned between such Ordinary Shares and Warrants on the basis of their respective values, which should be established by reference to the market value of such Ordinary Shares and Warrants on the first day of dealings;

(b) disposal (a term which includes abandonment) of a Warrant prior to exercise of the subscription right conferred by the Warrant may give rise to a gain or loss by reference to the cost of acquisition of the Warrant; and

(c) persons who exercise the subscription rights conferred by the Warrants will not thereby be treated as disposing of the Warrants, but their cost will be added to the amount paid on exercising those rights in computing any gain or loss on disposal of the Ordinary Shares acquired pursuant thereto.

ACCOUNTS

The first accounts of the Company will be made up for the period from its incorporation to 31st March, 1985.

ACCOUNTANTS' REPORT

The following is the text of a Report received by the Directors of the Company from Peat, Marwick, Mitchell & Co., Chartered Accountants, the Auditors of the Company:—

The Directors,
Charterhouse J. Rothschild Pacific Investment Trust plc,
66 St. James's Street,
London SW1A 1NE.

12th March, 1984

Dear Sirs,

Charterhouse J. Rothschild Pacific Investment Trust plc was incorporated on 29th February, 1984. It has not commenced business and, accordingly, no accounts have been made up and no dividends have been declared or paid.

Yours faithfully,

PEAT, MARWICK, MITCHELL & CO.,

Chartered Accountants.

PARTICULARS OF THE WARRANTS

The persons acquiring Ordinary Shares under the Offer for Sale will receive one Warrant for every five Ordinary Shares so acquired. These Warrants and those issued to CJR will be subject to the following terms and conditions.

1. Subscription Rights

(a) A registered holder for the time being of a Warrant shall have rights ("subscription rights") on each "subscription date", being 31st August in any of the years 1985 to 1989 inclusive (or, if later, the date in any such year 30 days after the date on which copies of the audited accounts of the Company for its then immediately preceding financial year are despatched to holders), to subscribe in cash all or any of the number of Ordinary Shares of 25p each of the Company specified in the Warrant at the price of 100p per Ordinary Share, payable in full on subscription. The number and/or nominal value of shares to be subscribed and the subscription price will be subject to adjustment as provided in paragraph 2 below.

(b) In order to exercise the subscription rights in whole or in part, the registered holder of a Warrant must lodge it at the office of the Registrars of the Company on or within 28 days prior to any subscription date having completed the Notice of Subscription thereon (and, if desired, the Form of Nomination contained on the reverse of the Warrant), accompanied by a remittance for the subscription price of the Ordinary Shares in respect of which the subscription rights are exercised. Once lodged, a Notice of Subscription shall be irrevocable save with the consent of the Directors. Compliance must also be made with any statutory requirements for the time being applicable.

(c) Not earlier than six weeks nor later than four weeks before each subscription date the Company shall give notice to the holders of Warrants reminding them of their subscription rights.

(d) Ordinary Shares issued pursuant to the exercise of subscription rights will be allotted not later than 14 days after and with effect from the relevant subscription date and certificates in respect of such Ordinary Shares will be issued not later than 28 days after the subscription date to the persons in whose names the Warrants are registered at the date of such exercise or to such persons as the registered holders may nominate in the Form of Nomination. In the event of a partial exercise of the subscription rights comprised in a Warrant, the Company shall at the same time issue a fresh Warrant in the name of the registered holder for any balance of his subscription rights remaining exercisable.

(e) Ordinary Shares allotted pursuant to the exercise of subscription rights will not rank for any dividends or other distributions declared, made or paid in respect of any financial year of the Company prior to the financial year current at the relevant subscription date but subject thereto will rank in full for all dividends and other distributions declared, made or paid in respect of the then current financial year of the Company and pari passu in all other respects with the Ordinary Shares of the Company in issue on that date.

(f) Application will be made to the Council of The Stock Exchange for the Ordinary Shares allotted pursuant to the exercise of the subscription rights to be admitted to the Official List, and the Company will use all reasonable endeavours to obtain the grant thereof not later than 14 days after the relevant subscription date.

2. Adjustment of Subscription Rights

(a) Upon any allotment of Ordinary Shares fully paid by way of capitalisation of profits or reserves to holders of the Ordinary Shares on the register on a date (or by reference to a record date) on or before the final subscription date or upon any sub-division or consolidation of the Ordinary Shares on or before such date, the number and/or nominal value of Ordinary Shares to be subscribed on any subsequent exercise of the subscription rights will be increased or, as the case may be, reduced in due proportion and the subscription price will be adjusted accordingly. On any such capitalisation, sub-division or consolidation the Auditors for the time being of the Company shall certify the appropriate adjustments and within 28 days of such adjustments notice will be sent to each holder of a Warrant together with a Warrant in respect of any additional shares which that holder is entitled to subscribe in consequence thereof, fractional entitlements being ignored.

(b) If, on a date (or by reference to a record date) on/or before the final subscription date, the Company makes any offer or invitation (whether by rights issue or otherwise) to the holders of the Ordinary Shares, or any offer or invitation (not being an offer to which paragraph 3 (f) applies) is made to such holders otherwise than by the Company, then the Company shall, so far as it is able, procure that at the same time the same offer or invitation is made to the then holders of the Warrants as if their subscription rights had been exercisable and had been exercised on the day immediately preceding the record date of such offer or invitation on the basis then applicable.

3. Other Provisions

So long as any subscription rights remain exercisable:—

(a) the Company shall not (i) make any distribution of capital profits or capital reserves except by means of a capitalisation issue in the form of fully paid Ordinary Shares, (ii) issue securities by way of capitalisation of profits or reserves except Ordinary Shares credited as fully paid and issued to the holders of its Ordinary Shares or (iii) during or by reference to a record date falling within the period of six weeks ending on any subscription date make any such offer or invitation as is referred to in paragraph 2(b) above (except by extending to the holders of the Warrants any such offer as may be made by a third party);

(b) the Company shall not in any way modify the rights attached to its existing Ordinary Shares as a class, or create any new class of equity share capital, except for shares which carry as compared with the existing Ordinary Shares no more advantageous rights as regards voting, dividend or return of capital;

(c) the Company shall not issue any Ordinary Shares credited as fully paid by way of capitalisation of profits or reserves nor make any such offer as is referred to in paragraph 2 (b) above if as a result the Company would on any subsequent exercise of the subscription rights be obliged to issue Ordinary Shares at a discount;

(d) the Company shall not (except with the sanction of an Extraordinary Resolution) reduce its share capital or (except as authorised by law) any share premium account, capital reserve or capital redemption reserve;

(e) the Company shall keep available for issue sufficient authorised but unissued share capital to satisfy in full all subscription rights remaining exercisable;

(f) if at any time an offer is made to all Ordinary Shareholders of the Company (or all such shareholders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the issued ordinary share capital of the Company and the Company becomes aware that as a result of such offer the right to cast a majority of the votes which may ordinarily be cast at a general meeting of the Company has become vested in the offeror and/or such persons or companies as aforesaid, the Company shall give notice to the holders of the Warrants of such vesting within 14 days of becoming so aware, and each such holder shall be entitled, at any time within the period of 30 days immediately following the date of such notice, to exercise his subscription rights on the terms (subject to any adjustment pursuant to paragraph 2 (a) above) on which the same could have been exercised on the last preceding subscription date and so that failing such exercise within such period such rights shall cease and determine; and

(g) if an order is made or an effective resolution is passed for winding up the Company (except for the purpose of reconstruction, amalgamation or unitisation on terms sanctioned by an Extraordinary Resolution), each holder of a Warrant will (if in such winding up there shall be a surplus available for distribution amongst the holders of the Ordinary Shares (including for this purpose the Ordinary Shares which would arise on the exercise of all the subscription rights) which, taking into account the amounts payable on the exercise of the subscription rights, exceeds in respect of each Ordinary Share a sum equal to the subscription price) be treated as if immediately before the date of such order or resolution his subscription rights had been exercisable and had been exercised in full on the basis then applicable, and shall accordingly be entitled to receive out of the assets available in the liquidation pari passu with the holders of the Ordinary Shares such a sum as he would have received had he been the holder of the Ordinary Shares to which he would have become entitled by virtue of such subscription after deducting a sum per share equal to the subscription price; subject to the foregoing all subscription rights shall lapse on liquidation of the Company.

4. Modification of Rights

All or any of the rights for the time being attached to the Warrants may from time to time (whether or not the Company is being wound up) be altered or abrograted with the sanction of an Extraordinary Resolution.

5. Transfer

Each Warrant will be registered and will be transferable in whole or in part by instrument of transfer in any usual or common form, or in any other form which may be approved by the Directors of the Company. No transfer of a right to subscribe a fraction of an Ordinary Share of the Company may be effected.

6. General

(a) The Company will, concurrently with the issue of the same to its Ordinary Shareholders, send to each registered holder of a Warrant (or in the case of joint holders to the first-named) a copy of each published Annual Report and Accounts of the Company, together with all documents required by law to be annexed thereto, and a copy of every statement, notice or circular issued to Ordinary Shareholders.

(b) For the purpose of these Particulars, the expression "Extraordinary Resolution" means a resolution proposed at a separate meeting of the holders of the Warrants duly convened and held and passed by a majority consisting of not less than three-fourths of the votes cast, whether on a show of hands or on a poll. To any such separate meeting all the provisions of the Articles of Association for the time being of the Company as to general meetings of the Company shall mutatis mutandis apply as though the Warrants were a class of shares forming part of the capital of the Company but so that (a) the period of notice shall be 21 days at least (b) the necessary quorum shall be the holders (present in person or by proxy) entitled to acquire one-third in nominal value of the Ordinary Shares attributable to such Warrants (c) every holder of a Warrant present in person at any such meeting shall be entitled on a show of hands to one vote and every such holder present in person or by proxy at any such meeting shall be entitled on a poll to one vote for every Ordinary Share which he is entitled to subscribe (d) any holder of a Warrant present in person or by proxy may demand or join in demanding a poll and (e) if at any adjourned meeting a quorum as above defined is not present, those holders of Warrants who are then present in person or by proxy shall constitute a quorum.

STATUTORY AND GENERAL INFORMATION

1. The Company

(a) The Company was incorporated in England as a public company under the Companies Acts 1948 to 1981 on 29th February, 1984 with Registered No. 1796112. On 29th February, 1984 two Ordinary Shares were issued to the subscribers to the Memorandum of Association, as nominees of CJR, and on 6th March, 1984 a further 199,998 Ordinary Shares (with Warrants) were issued to CJR, in each case at a subscription price of £1 per share.

(b) On 6th March, 1984 resolutions of the Company were passed whereby:—

(i) the authorised share capital of the Company was increased to £20,000,000 divided into 80,000,000 Ordinary Shares of 25p each;

(ii) the Directors were given authority pursuant to Section 14 of the Companies Act 1980 (expiring on 1st March, 1989) to allot relevant securities (as defined in that Section) up to a maximum nominal amount of £19,125,000;

(iii) a limited disapplication of Section 17(1) of the Companies Act 1980 (expiring on the date of the first Annual General Meeting of the Company) was effected to permit the allotment of equity securities (as defined in that Section) pursuant to the authority referred to above in connection with any rights issue to Ordinary Shareholders and for the purposes of other allotments of equity securities up to an aggregate nominal value of £15,956,250; and

(iv) the Company altered its Articles of Association.

(c) On 7th March, 1984 the Registrar of Companies issued to the Company a certificate under Section 4 of the Companies Act 1980 entitling the Company to do business.

(d) Save as disclosed herein:—

(i) since incorporation, no share or loan capital of the Company has been issued or is now proposed to be issued, fully or partly paid, either for cash or a consideration other than cash;

(ii) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company; and

(iii) no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

(e) Following the completion of this Offer for Sale, 30,000,000 Ordinary Shares of 25p each will remain unissued. Apart from the issue of shares pursuant to the exercise of subscription rights attaching to the Warrants, no issue of shares will be made by the Company which would effectively alter its control without the prior approval of the Company in general meeting. No material issue of shares or Warrants of the Company (other than to shareholders pro rata to existing holdings) will be made within one year of the date of this document without the prior approval of the Company in general meeting.

2. Offer for Sale Agreement

By an Agreement dated 13th March, 1984 and made between the Company, its Directors and Charterhouse Japhet plc, Charterhouse Japhet plc, a wholly-owned subsidiary of CJR, has agreed, subject to the Council of The Stock Exchange admitting the whole of the issued share capital and Warrants of the Company to the Official List, to subscribe 40,000,000 Ordinary Shares of 25p each in the Company (with Warrants) at a subscription price of 97.875p per share and to offer the same to the public at a price of £1 per share. Under this Agreement Charterhouse Japhet plc will pay underwriting commissions of 1¼ per cent. (plus Value Added Tax) of the Offer for Sale price of 40,000,000 Ordinary Shares in the Company and a fee to the brokers to the issue. The Company has agreed to pay brokerage of ⅛ per cent. (plus Value Added Tax) to recognised banks, stockbrokers, solicitors and chartered accountants on accepted applications bearing their stamp. The Company has also agreed to pay all other costs and expenses of and incidental to the issue (including any applicable Value Added Tax) including the expenses of printing, advertising, circulating this Offer for Sale, capital duty, registrars' charges, the receiving bankers' charges and fees of the reporting accountants and of the solicitors to the Company and to the issue. These expenses including the maximum brokerage are estimated to amount to £780,000 (including Value Added Tax).

3. Articles of Association of the Company

The Articles of Association of the Company include the following provisions:—

(a) **Duration**
Unless released from such obligation by a Special Resolution passed before 31st August, 1994 the Board shall convene an Extraordinary General Meeting of the Company to be held on or after 30th September, 1994 and before 31st December, 1994 at which a Resolution will be proposed requiring the Company to be wound up voluntarily. Every member present in person or by proxy and entitled to vote is required to vote in favour of such resolution.

(b) **Voting**
Subject to disenfranchisement of a member in the event of non-payment of any calls or other monies due and payable in respect of any shares or non-compliance with a statutory notice requiring disclosure as to beneficial ownership and subject to any special terms as to voting on which any shares may be held, on a show of hands every member present in person shall have one vote, and on a poll every member present in person or by proxy shall have one vote for every share held by him.

(c) **Borrowing Powers**
The Directors of the Company may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital and, subject to the Companies Acts 1948 to 1983, to issue debentures and other securities whether outright or as a collateral security for any debt, liability or obligation of the Company or of any third party. The Directors shall restrict the borrowing of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries (if any) so as to secure (but as regards subsidiaries only in so far as by the exercise of such rights or powers of control the Directors can secure) that the aggregate amount for the time being remaining undischarged of all monies borrowed by the Company and its subsidiaries (other than from any of such companies) shall not at any time without the previous sanction of an Ordinary Resolution of the Company exceed a sum equal to the aggregate of the amount paid up on the issued share capital for the time being of the Company and the amounts standing to the credit of reserves of the Company and its subsidiaries.

(d) **Capital Reserve**
The Directors of the Company shall establish a Capital Reserve and carry to the credit of such Reserve or apply in providing for depreciation or contingencies all capital appreciations arising on the sale, transposition or re-valuation of any investments or other capital assets of the Company in excess of the book value thereof. Any losses realised on the sale of any investments or other capital assets may be debited in whole or in part against the Capital Reserve which, together with all moneys in the nature of accretion to capital assets, shall not be available for dividend.

(e) **Variation of Rights**
All rights or any of the rights or privileges attaching to any class of share may, subject to the provisions of the Companies Acts 1948 to 1983, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of an Extraordinary Resolution passed at a separate meeting of the holders of such shares.

(f) **Directors**

(i) The minimum number of Directors is two and the maximum ten.

(ii) No share qualification shall be required.

(iii) Subject to the provisions of the Companies Acts 1948 to 1983 the Directors may from time to time appoint one or more of their number to be the holder of any executive office on such terms (including remuneration) as they think fit and, subject to the terms of any contract between him and the Company, may at any time revoke any such appointment. A Director appointed as an Executive Chairman or as Managing or Joint Managing Director shall not, while holding such office, be subject to retirement by rotation or be taken into account in determining the rotation or retirement of Directors. At each Annual General Meeting one-third of the Directors who are subject to retirement by rotation (or the number nearest to but not exceeding one-third) shall retire by rotation.

(iv) Subject to the provisions of the Companies Acts 1948 to 1983 a Director may hold any other office or place of profit under the Company (other than that of auditor) in conjunction with his office of Director for such a period and on such terms (as to remuneration and otherwise) as the Directors may determine and no Director is disqualified by his office from contracting with the Company or is liable to account to the Company for any profit realised by any such contract by reason of such Director holding that office. Any Director may act by himself or his firm in a professional capacity for the Company (otherwise than as Auditor) and be or his firm shall be entitled to remuneration for professional services as if he were not a Director.

(v) The remuneration of the Directors shall be paid at the rate of £5,000 per annum for each Director. Such remuneration shall be deemed to accrue from day to day. The Directors may also be paid all expenses properly incurred by them in attending meetings of the Directors, any Committee of the Directors, General Meetings or separate meetings of the holders of any class of shares or otherwise in or with a view to the performance of their duties.

(vi) Any Director who upon request renders any extra or special services shall be entitled to receive such sum as the Directors may think fit for expenses and such remuneration as the Directors may think fit either in addition to or in substitution for any other remuneration he may be entitled to receive.

(vii) Save in relation to certain specific exceptions provided in the Articles of Association, a Director shall not vote or be counted in the quorum present at a meeting in relation to any resolution on which he is debarred from voting in regard to any contract, transaction, arrangement or proposal in which he has to his knowledge a material interest. Subject to the provisions of the Companies Acts 1948 to 1983 the Company may by Ordinary Resolution suspend or relax such provisions to any extent or ratify any thing not duly authorised by reason of such provisions.

(viii) No person shall be disqualified from being appointed a Director and no Director shall be required to vacate his office by reason only of the fact that he has attained the age of 70 years or any other age, nor shall it be necessary to give special notice or comply with any other special formality in connection with the appointment of a Director over a specified age save that in the case of the appointment of a Director who has attained the age of 70 his age shall be stated in the notice convening the General Meeting (or in any accompanying document) at which he is proposed to be elected or re-elected.

(ix) The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any salaried office or place of profit with the Company or any subsidiary or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance and may make payments for or towards the insurance of any such person.

4. Directors and other Interests

(a) Save as disclosed under "Ordinary Shares" above, or by virtue of any directorship or interest in shares in any company which is or may become a shareholder in the Company, no Director of the Company has at the date hereof any interest in the share capital of the Company.

(b) Save pursuant to the contracts listed in paragraph 5 below:—

(i) no Director of the Company has or has had any interest, direct or indirect, in the promotion of the Company, or in any assets which, since incorporation, have been or are proposed to be acquired or disposed of by, or leased to, the Company; and

(ii) no contract or arrangement subsists in which a Director of the Company is materially interested and which is significant in relation to the business of the Company.

(c) There are no service contracts in existence between the Company and any of its Directors nor are any such contracts proposed.

(d) It is estimated that for the period ending 31st March, 1985 the aggregate emoluments of the Directors will be approximately £20,000.

(e) Following the Offer for Sale, CJR will hold 10,000,000 Ordinary Shares and Warrants to subscribe a further 2,000,000 Ordinary Shares. Save as aforesaid the Directors of the Company are not aware of any other person who, following the Offer for Sale, will have a substantial interest in the share capital of the Company.

5. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company since incorporation and are, or may be, material:—

(i) an Agreement dated 12th March, 1984 between the Company and JRCM whereunder JRCM has agreed to provide investment management and advisory services to the Company for a quarterly fee of ¼ per cent. of the value of the Company's gross assets at the end of the preceding quarter, such Agreement being terminable by 3 months' notice expiring on or at any time after 31st December, 1988;

(ii) a Subscription Agreement dated 12th March, 1984 between the Company and CJR, whereunder CJR has agreed, subject to the Council of The Stock Exchange admitting the issued share capital and Warrants of the Company to the Official List, to subscribe 9,800,000 Ordinary Shares of 25p each in the Company (with Warrants) at a subscription price of £1 per share; and

(iii) the Offer for Sale Agreement referred to in paragraph 2 above.

6. General

(a) The amount payable on application for Ordinary Shares in the Company pursuant to this Offer for Sale is £1 per share.

(b) The preliminary expenses of the Company amount to approximately £300 and are payable by the Company.

(c) In accordance with the requirements of the Council of The Stock Exchange, it will be part of the investment policy of the Company:—

(i) that not more than 10 per cent. of its assets (before deducting borrowed money) may be lent to, or invested in the securities of, any one company (other than those of another investment trust which has been approved by the Inland Revenue or which would qualify for such approval but for the fact that it is not yet listed) including loans to and shares in its own subsidiaries; and

BUSINESS LAW

The question of a mirror-image conspiracy

By A. H. HERMANN, Legal Correspondent

BARCLAYS BANK has received a poor Press recently: it disclosed bigger bad debts than expected; details of Mr Mark Thatcher's business account were disclosed without his approval; and the Sybron Corporation alleged in a High Court case* that there was a *prima facie* case against the bank and three of its employees for taking part in a fraudulent conspiracy for which the company had already been awarded £87m in damages against a number of former employees and Rochem, a mirror image company which they established while still in the service of Sybron and its UK subsidiary, Gamlen.

It is in the nature of bad debts that nothing much can be done about them except to write them off. As to Mr Thatcher's account, more than enough has been said by others; and so the only thing left for me to write about is the Sybron case. Let me say right away that when the allegation against Barclays Bank was made before Mr Justice Scott, he found it unjustified and extravagant, both in respect of the bank and of its employees. The basis of the allegation was apparently the discovery that three of the bank's employees knew that Rochem, to whom the bank allowed an overdraft, was established by Sybron's while they were still in the service of Sybron and Gamlen, and that their intention was to compete with their employers.

Mr Justice Scott dealt with this allegation in the course of interlocutory proceedings concerning the use of documents disclosed in the preceding litigation. He could not pronounce on the claim with finality, but made it quite clear that in his view a bank did not expose itself to a charge of dishonesty merely by providing banking services to a business conducted in breach of employees' fiduciary duties to their employers. That was so even if bank knew or has reason to suspect the state of affairs. The bank, said the judge, was under no obligation to inquire into the commercial propriety of the business seeking its services.

The case might be important for Sybron. It would obviously be advantageous to add to the conspirators from whom damages would not be easily recoverable, one which is patently solvent and cannot get away easily. For bankers and their legal advisers the case might yield an insight into the court's view of a bank's responsibility in such borderline cases. However, it is somewhat premature to speculate on this.

Nevertheless, enough material has been yielded by the Sybron litigation so far for managements and company lawyers to digest. At a time when management buy-outs are becoming fashionable, the Sybron defectors will hardly be an isolated phenomenon, though few are likely to go to the same lengths and expose themselves to the charge of fraudulent conspiracy. The temptation to cut corners and to take over at least a part of the employer's business without his liabilities must be great, particularly as it is widely assumed that it is possible to do such a thing and still remain within the law.

That this assumption is not confined to laymen is evident from the fact that the Sybron conspirators included a solicitor, Mr A. B. Churchward, who acted as secretary of the companies established by Sybron's employees. Mr Justice Walton's judgment, providing a survey of the law applicable to this type of commercial conspiracy, stakes out, therefore, a most useful demarcation line between the healthy competitiveness of employees who exploit knowledge gained in past employment in a business of their own and an illegal breach of confidential and fiduciary duties.

The law can hardly be understood without the background against which it was developed by the court. Sybron is an American corporation: in the UK it operates through its subsidiary, Gamlen, with further subsidiaries in the Netherlands, Germany and Italy. In the early 1970s, within the space of about 10 months, all the top management of the European zone of Gamlen resigned. What on earth had been going on?

The answer provided by the judge was that it was a conspiracy by the managers to take away the chemical cleaning operation of Sybron previously conducted through the European wholly-owned subsidiaries. The conspirators took away customers and employees, adopted the formulation of Sybron's chemical products and the style and content of their leaflets. They took details of pricing policies and knowledge of the precise discounts granted to particular customers, and in this way obtained a "jet-propelled start" in competition with the "remnant business" of Gamlen.

> Admissions made by any of the conspirators are acts and admissions which are evidence against the others
> The conspirator must know the facts which make the combination unlawful, though there is no need for him to appreciate their significance. Deliberate failure to open his eyes was no excuse.

On top of all this, Mr W. S. Roques, chief executive of Sybron's European subsidiaries, who, as the judge said, served as the conspirators' look-out man to the last, left the company in September 1973 with a golden handshake and a handsome pension for himself and his wife.

The first question of law which the judge had to answer was whether the conspirators who set up a mirror image business to that of Sybron owed their duties to Sybron or to the subsidiaries by which they were employed. He concluded that, looking at the commercial realities, it was primarily Sybron which was injured, and that Sybron was able directly to claim damages in respect of the organisation as a whole—there was no need to assess separate damages to the individual subsidiaries.

The next important question to be answered was whether the combination followed an unlawful purpose or a lawful purpose by unlawful means. The establishment of a competing business is clearly a lawful purpose, but breach of contract is an unlawful means to achieve it. The breach of contract in the Sybron case was plainly fraudulent. Was it necessary for all conspirators to have full knowledge about all that was intended and/or done by the others?

Using a parallel from criminal law, the judge said that, as the driver of a getaway car waiting patiently in the side street is a conspirator—once the conspiracy has been established—even if he does not know what is actually going on in the bank vaults, then acts done and admissions made by any of the conspirators are acts and admissions which are evidence against the others. But the conspirator must know the facts which make the combination unlawful though there is no need for him to appreciate their significance. Deliberate failure to open his eyes, for fear of what he suspected he would see, was no excuse.

In short, as Mr Justice Goulding said in his judgment of November 12 1979: "For servants during their employment and in breach of their contractual duty of fidelity to their master to engage in a scheme, secretly using the master's time and money, to take the master's customers and employees and make profit from them in a competing business built up to receive them on leaving the master's service, I would have thought that commercial men and lawyers alike would say that is fraud."

Mr Justice Walton said that the whole essence of the operation was that the conspirators would complete with Sybron and Gamlen while they, or some, or one of them were still employed. The conspiracy came to an end when there was no conspirator left working for the plaintiffs. As to the individuals, the crucial question was: what was the state of knowledge of those who joined the "new business" at the time they joined it?

In the end, there was a claim for damages in respect of the conspiracy and another for breach of the contracts of service by the individual conspirators. There was also a claim in relation to the pensions of Mr and Mrs Roques, which they were given in ignorance of the facts. The damages awarded are believed to be the highest ever in an English court.

* Sybron Corporation and Another v Barclays Bank plc. Judgment February 24, 1984. TLR March 9, 1984

† Sybron Corporation and Gamlen v Rochem Limited and others.

Notice of Redemption

Copenhagen Telephone Company, Inc.

(Kjobenhavns Telefon Aktieselskab)

9% Sinking Fund Dollar Debentures Due April 15, 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of April 15, 1970 under which the above described Debentures were issued, $900,000 principal amount of the said Debentures have been called for redemption through operation of the Sinking Fund on April 15, 1984, the date fixed for redemption at the redemption price of 100% of the principal amount thereof plus accrued interest to the date fixed for redemption as follows:

Debentures in coupon form of $1,000 denomination and bearing the following distinctive numbers with prefix letter M:

7	1293	2480	3900	4856	6470	6877	7226	7565	7876	8221	8523	8929	9233	9604
20	1298	2803	3829	4876	6482	6883	7242	7570	7877	8222	8538	8932	9236	9605
28	1300	2804	3830	4921	6483	6885	7270	7572	7882	8225	8563	8935	9249	9609
45	1308	2868	3832	4923	6507	6918	7272	7573	7896	8237	8564	8947	9251	9631
56	1309	2886	3868	4925	6508	6920	7274	7578	7897	8239	8566	8968	9255	9634
130	1314	2893	3879	4938	6538	6922	7276	7585	7900	8242	8568	8969	9268	9636
144	1367	2897	3902	4951	6540	6930	7277	7586	7901	8243	8576	8997	9274	9641
184	1373	2903	3976	4970	6542	6940	7284	7589	7916	8247	8577	9002	9282	9642
213	1375	2906	3979	4984	6545	6941	7285	7595	7920	8248	8587	9008	9285	9646
237	1386	2911	3980	4989	6551	6945	7286	7596	7921	8249	8589	9011	9292	9648
275	1402	2912	3981	5039	6553	6955	7297	7600	7925	8253	8592	9018	9306	9654
318	1520	2915	3996	5065	6554	6964	7300	7601	7929	8259	8593	9019	9309	9656
319	1523	2916	3998	5206	6560	6969	7304	7603	7933	8261	8597	9023	9310	9677
328	1525	2928	4024	5250	6567	6974	7306	7604	7941	8264	8600	9031	9313	9678
329	1541	2934	4046	5272	6578	6983	7308	7608	7948	8265	8602	9036	9344	9682
330	1542	2961	4047	5462	6580	6989	7311	7613	7954	8267	8605	9037	9354	9692
365	1575	2963	4059	5483	6607	6990	7314	7614	7956	8272	8607	9038	9361	9693
436	1600	2966	4064	5485	6608	6991	7319	7624	7957	8280	8612	9039	9363	9694
440	1610	2967	4073	5486	6609	6994	7320	7628	7960	8282	8613	9042	9369	9721
492	1628	2968	4075	5518	6613	6997	7323	7634	7972	8294	8620	9045	9370	9725
654	1641	2970	4115	5609	6614	6999	7343	7637	7974	8304	8631	9046	9371	9727
664	1643	2971	4208	5614	6619	7006	7349	7640	7979	8316	8632	9050	9372	9730
667	1657	2994	4211	5634	6624	7010	7360	7645	7983	8379	8633	9051	9373	9732
715	1663	3003	4227	5637	6630	7012	7364	7646	7985	8384	8637	9055	9374	9734
716	1736	3009	4247	5650	6632	7013	7374	7647	7986	8385	8639	9057	9376	9743
761	1737	3010	4248	5666	6635	7020	7375	7657	7990	8402	8720	9066	9380	9744
769	1742	3014	4251	5668	6650	7024	7385	7663	8021	8407	8728	9077	9384	9746
792	1750	3024	4258	5675	6654	7039	7388	7682	8028	8408	8729	9080	9387	9748
840	1768	3025	4285	5677	6655	7043	7402	7688	8034	8409	8731	9081	9390	9751
863	1774	3090	4358	5680	6680	7050	7403	7690	8043	8411	8736	9085	9397	9753
868	1775	3091	4363	5684	6683	7051	7404	7692	8056	8416	8751	9087	9412	9765
911	1776	3154	4374	5688	6685	7064	7407	7693	8057	8419	8762	9098	9417	9766
919	1779	3160	4378	5697	6686	7066	7408	7705	8059	8422	8765	9112	9435	9770
925	1786	3250	4380	5698	6707	7081	7410	7715	8067	8433	8775	9113	9457	9799
935	1789	3257	4381	5705	6708	7087	7415	7725	8112	8438	8780	9121	9463	9804
949	1794	3260	4398	5706	6714	7091	7416	7727	8114	8441	8785	9131	9470	9808
967	1833	3263	4399	5730	6731	7095	7424	7732	8132	8442	8799	9135	9478	9819
1052	1839	3363	4403	5791	6776	7108	7425	7737	8135	8448	8800	9139	9480	9859
1060	1855	3364	4434	5933	6777	7113	7429	7739	8137	8452	8802	9141	9481	9871
1065	1859	3370	4481	6010	6781	7122	7435	7740	8138	8456	8804	9149	9497	9889
1082	1864	3373	4497	6172	6785	7123	7439	7748	8141	8457	8805	9177	9500	9891
1089	1913	3404	4546	6191	6786	7125	7444	7749	8144	8459	8811	9183	9503	9894
1102	1977	3405	4560	6204	6788	7126	7450	7785	8157	8460	8815	9184	9504	9900
1103	2007	3447	4576	6264	6800	7130	7457	7790	8160	8468	8829	9185	9511	9901
1108	2014	3502	4577	6408	6805	7133	7458	7796	8164	8469	8832	9186	9555	9904
1178	2016	3505	4578	6409	6811	7140	7460	7797	8166	8471	8838	9187	9557	9908
1185	2031	3558	4584	6412	6815	7155	7465	7798	8167	8479	8844	9188	9558	9915
1190	2098	3559	4605	6414	6816	7164	7470	7800	8168	8480	8847	9191	9559	9938
1194	2102	3560	4698	6419	6822	7166	7477	7803	8172	8481	8848	9193	9561	9940
1195	2106	3562	4708	6426	6830	7174	7479	7812	8173	8483	8852	9196	9564	9948
1207	2125	3587	4741	6429	6843	7175	7502	7814	8180	8485	8853	9207	9566	9954
1212	2126	3588	4748	6432	6856	7183	7511	7815	8186	8486	8855	9210	9568	9970
1258	2138	3597	4749	6440	6858	7186	7514	7820	8188	8502	8896	9220	9575	9976
1259	2145	3598	4757	6443	6862	7187	7526	7821	8190	8505	8899	9221	9593	9977
1260	2165	3600	4758	6446	6863	7191	7546	7828	8199	8506	8900	9222	9594	9980
1280	2183	3604	4759	6447	6865	7193	7550	7837	8205	8510	8906	9223	9596	9981
1284	2190	3616	4765	6458	6869	7202	7558	7843	8214	8516	8907	9226	9598	9982
1287	2199	3668	4767	6461	6870	7203	7559	7849	8215	8519	8911	9227	9600	9984
1291	2203	3702	4816	6462	6871	7211	7560	7871	8217	8520	8920	9231	9601	9987
1292	2456	3798	4857	6466	6873	7222	7564	7874	8219	8521	8927	9232	9602	9990

The above described Debentures will become due and payable on April 15, 1984 and interest thereon shall cease to accrue.

Payment of the redemption price of 100% of the principal amount of the Debentures will be made upon PRESENTATION and SURRENDER of such Debentures with all coupons appertaining thereto maturing after April 15, 1984 at Citibank, N.A., Receive and Deliver Department, 5th Floor, 111 Wall Street, New York, New York 10043 or the main offices of Citibank, N.A. in Brussels, Belgium; Nice, France; Paris, France; Berlin, Germany; Dusseldorf, Germany; Frankfurt (Main), Germany; Hamburg, Germany; Munich, Germany; Athens, Greece; Piraeus, Greece; Thessaloniki, Greece; Milan, Italy; Rome, Italy; Amsterdam, Netherlands; Rotterdam, Netherlands; The Hague, Netherlands; Geneva, Switzerland; Lausanne, Switzerland; Lugano, Switzerland; Zurich, Switzerland; London, England; Belfast, Northern Ireland; Dublin, Ireland; Citibank (Luxembourg) S.A.; or at the office of Privatbanken i Kjobenhavn, Copenhagen, Denmark; Algemene Bank Nederland, N.V., Amsterdam, Netherlands; Kredietbank, S.A. Luxembourgeoise, Luxembourg; Skandinaviska Enskilda Banken, Stockholm, Sweden; Swiss Bank Corporation in Basle, Switzerland; and Deutsche Bank A.G., Frankfurt (Main), Germany, as the Company's paying agents.

COPENHAGEN TELEPHONE COMPANY, INC.
By Citibank, N.A.,
Trustee

Dated: March 15, 1984

Charterhouse J. Rothschild Pacific Investment Trust plc *continued*

(ii) that not more than 25 per cent. of the assets of the Company (before deducting borrowed money) may be invested in the aggregate of:—

(1) holdings in which the interest of the Company amounts to 20 per cent. or more of the aggregate of the equity capital (including any capital having an element of equity) of any one listed company (other than another investment trust which has been approved by the Inland Revenue or which would qualify for such approval *but for the fact that it is not yet listed); and*

(2) securities not listed on any recognised stock exchange.

(d) It is the intention of the Directors so to conduct the affairs of the Company that it satisfies the requirements for qualification as an investment company laid down in Section 41 of the Companies Act 1980 and the Company has given notice to the Registrar of Companies of its intention to carry on business as an investment company pursuant to that Section.

(e) The Company has no litigation or claims pending or threatened against it.

(f) No amounts are required in order to provide for the matters referred to in paragraph 4 of the Fourth Schedule to the Companies Act 1948.

7. Consent
Peat, Marwick, Mitchell & Co. have given and have not withdrawn their written consent to the issue of this Offer for Sale with the inclusion herein of their report in the form and context in which it is included.

8. Registration
The copies of this document delivered to the Registrar of Companies for registration had attached to them the form of application, the consent referred to in paragraph 7 above and copies of each of the material contracts referred to in paragraph 5 above.

9. Documents available for Inspection
The following documents or copies thereof may be inspected at the office of Stephenson Harwood, Saddlers' Hall, Gutter Lane, London EC2V 6BS during usual business hours on any weekday (Saturdays and public holidays excepted) for a period of fourteen days following the date of this Offer for Sale:—

(a) the Memorandum and Articles of Association of the Company;
(b) the material contracts referred to in paragraph 5 above;
(c) the written consent referred to in paragraph 7 above; and
(d) the report of Peat, Marwick, Mitchell & Co. set out above.

13th March, 1984.

PROCEDURE FOR APPLICATION

All applications for the Ordinary Shares (with Warrants) now being offered for sale must be for a minimum of 100 shares or a multiple thereof. Each application must be made on the form provided and be accompanied by a sterling cheque, drawn on a bank in and payable in England, Scotland or Wales, for the full amount payable on application and be forwarded to National Westminster Bank PLC, New Issues Department, PO Box 79, 2 Princes Street, London EC2P 2BD so as to arrive not later than 10 a.m. on Tuesday, 20th March, 1984. Cheques must be payable to "National Westminster Bank PLC" and be crossed "Not Negotiable". Brokerage of ¼ per cent. (plus Value Added Tax) will be payable to recognised banks, stockbrokers, chartered accountants and solicitors in respect of accepted applications bearing their stamp and VAT registration number.

Acceptance of applications will be conditional on the Council of The Stock Exchange admitting the Ordinary Shares and Warrants now being offered for sale to the Official List not later than 21st March, 1984. Moneys paid in respect of applications will be returned if such admission is not granted by that date and in the meantime will be retained by National Westminster Bank PLC in a separate account. Dealing in the Ordinary Shares and Warrants are expected to begin on 26th March, 1984.

All cheques are liable to be presented for payment on receipt and National Westminster Bank PLC reserves the right to withhold Letters of Acceptance and any surplus application moneys pending clearance of applicants' cheques. The right is reserved to reject any application or to accept any application in part only and in particular to reject multiple or suspected multiple applications. The right is also reserved to treat as valid any applications which do not fully comply with the conditions set out in the application form. If any application is not accepted, the amount paid on application will be returned in full and, if any application is accepted for fewer Ordinary Shares than the number applied for, the balance of the amount paid on application will be returned, in each case without interest and by cheque through the post at the applicant's risk.

Fully paid renounceable Letters of Acceptance in respect of Ordinary Shares and Warrants will be sent by post to successful applicants on 23rd March, 1984 at their risk. The last date for registration of renunciation is 3rd May, 1984. Warrants will be transferable separately from Ordinary Shares. Share Certificates and Warrants will be despatched by 31st May, 1984. Pending the issue of Certificates, instruments of transfer of Ordinary Shares or of Warrants will be certified against the respective register.

Copies of this Offer for Sale with application forms may be obtained from:—

J. Rothschild Charterhouse Management Limited,
17–19 Don Street, St. Helier, Jersey, Channel Islands.

Cazenove & Co.,
12 Tokenhouse Yard,
London EC2R 7AN.

Charterhouse Japhet plc,
1, Paternoster Row, St Pauls,
London EC4M 7DH.

or from any of the following offices of
National Westminster Bank PLC

New Issues Department, PO Box 79, 2, Princes Street, London EC2P 2BD.
PO Box 87, Colmore Centre, 103 Colmore Row, Birmingham B3 3NS.
Registrar's Department, PO Box 82, 37 Broad Street, Bristol BS99 7NH.
80 George Street, Edinburgh EH2 3DZ.
14 Blythswood Square, Glasgow G2 4AQ.
PO Box 305, 55 King Street, Manchester M60 2DB.
PO Box 154, 8 Park Row, Leeds LS1 1QS.

APPLICATION FORM FOR ORDINARY SHARES (WITH WARRANTS)

The Application List for the Ordinary Shares (with Warrants) now offered will open at 10 a.m. on 20th March, 1984 and may be closed at any time thereafter.

This form when completed should be forwarded to National Westminster Bank PLC, New Issues Department, PO Box 79, 2 Princes Street, London EC2P 2BD, to arrive not later than 10 a.m. on 20th March, 1984, with a cheque drawn in sterling on a bank in and payable in England, Scotland or Wales. Cheques must be payable to "National Westminster Bank PLC" and be crossed "Not Negotiable" and a separate cheque must accompany each application.

Charterhouse J. Rothschild Pacific Investment Trust plc

(Incorporated in England under the Companies Acts 1948 to 1981)

OFFER FOR SALE OF 40,000,000 ORDINARY SHARES OF 25p EACH (WITH WARRANTS) AT 100p PER SHARE PAYABLE IN FULL ON APPLICATION

★ Number of shares applied for	Amount of cheque enclosed
	£

★ Application may only be made for 100 shares or a multiple thereof.

To: The Directors, CHARTERHOUSE JAPHET plc
Gentlemen,

I/We enclose a cheque payable to National Westminster Bank PLC for the above-mentioned sum, being the full amount payable in respect of the stated number of Ordinary Shares of 25p each (with Warrants) at 100p per share, and I/we hereby apply for that number of shares. I/We agree to accept the same or any smaller number in respect of which this application may be accepted upon the terms of the Offer for Sale dated 13th March, 1984, subject to the Memorandum and Articles of Association of the Company. I/We hereby authorise and request you to send me/us renounceable Letters of Acceptance for the numbers of shares and Warrants in respect of which this application is accepted, together with a cheque, if applicable, for any surplus application moneys, by post at my/our risk to the address first given below, and to arrange for my/our name(s) to be placed on the register of members in respect of so many of such shares, and on the register of Warrantholders in respect of so many of such Warrants, as are not duly renounced by me/us.

1. *Signature* .... *Dated* 1984

PLEASE USE BLOCK CAPITALS
← *Forename(s) in full*
← *Surname (State Mr., Mrs., Miss, Ms. or Title)*
← *Address (in full)*

FOR OFFICE USE ONLY
Allotment No.
Shares Allotted

(The spaces below are for use in case of joint application)

2. *Signature* ....
PLEASE USE BLOCK CAPITALS
Forename(s) (in full) .... *Surname* ....
Address (in full) .... *Mr., Mrs., Miss, Ms. or Title* ....

3. *Signature* ....
PLEASE USE BLOCK CAPITALS
Forename(s) (in full) .... *Surname* ....
Address (in full) .... *Mr., Mrs., Miss, Ms. or Title* ....

PLEASE PIN CHEQUE HERE

In the case of joint applicants all must sign; in the case of a corporation this form must be signed by an authorised official whose designation must be stated.

Applicants are advised to allow two days for delivery through the post and to use first class mail.

No receipt will be issued for the amount paid on application, but an acknowledgement will be forwarded in due course either by fully paid renounceable Letters of Acceptance (together, if applicable, with a cheque for any amount overpaid) or by a cheque for the amount paid on application, in each case through the post at the applicant's risk.

The right is reserved to reject or scale down any applications, to present all cheques for payment on receipt and to withhold Letters of Acceptance and surplus application moneys pending clearance of applicants' cheques.

Stamp of recognised bank, stockbroker, solicitor or chartered accountant claiming brokerage

VAT Registration No.

UK COMPANY NEWS

GKN soars £47.3m and lifts payout by 1p

THE IMPROVED trading levels experienced by Guest Keen & Nettlefolds during the second quarter of 1983 continued through the remainder of the year and enabled the group to record its best results since 1979.

On the back of an £82.6m rise in turnover to £1.97bn, group pre-tax profits for the year soared from £40.8m to £88.1m, with £50m, compared with £10.3m, coming in the second six months.

In view of this better performance and a favourable outlook for 1984 shareholders are to get a 1p increase in their dividend to 9p net per £1 share—the final payment is being lifted from 4p to 5p on the enlarged capital.

The trading surplus in the UK showed a marked improvement over the previous two years, reflecting the gradual improvement in the economy and the benefit of restructuring carried out in recent years.

The pre-tax profits were struck after taking account of redundancy costs in on-going activities of £5m (£12.4m) and a £12.2m drop in interest charges to £43.7m.

Also included was a £8.4m (£2.6m) share of profits less losses of associates and income from investments and interest receivable of £4m (£3.7m).

A divisional breakdown of turnover and trading profits £119m, against £90m, after redundancy charges) shows: automotive components and products £846m (£755m) and £81m (£59m), industrial supplies and services £483m (£503m) and £23m (£20m), wholesale and industrial distribution £487m (£467m) and £10m (£11m) and special steels and forgings £159m (£167m) and £5m (nil).

A breakdown of turnover and trading profits by region of origin shows: UK £1.01bn (£990m) and £27m (£11m), Europe £480m (£488m) and £55m (£50m), America £303m (£239m) and £31m (£21m) and the rest of the world £185m (£175m) and £6m (£8m).

For 1984 the directors, headed by Sir Trevor Holdsworth, the chairman, believe that market conditions in both the U.S. and Europe will continue to be favourable and in the UK overall, may well show some further improvement.

Referring to the 1983 improvement in the UK Sir Trevor tells shareholders that the transmissions business, in particular made good progress in the second half of the year with increased sales in both home and export markets.

Better results were achieved by special steels despite unfavourable market conditions and, towards the end of the year, increased scrap prices.

In the forgings division the chairman says benefits began to show following substantial restructuring and cost reduction and although the autoparts distribution business still produced unsatisfactory results, it continued to make progress.

Steel stockholding was affected towards the end of the year by weakening price levels. In the industrial services sector good results were achieved by the pallet hire business and benefits were quickly gained from the merger of the scaffolding business with Kwikform.

Sir Trevor comments that following the initial order for 50 Saxon wheeled armoured personnel carriers for the British Army, a further order for 450 vehicles has recently been announced by the Ministry of Defence, together with an initial production order of some 280 MCV80 tracked armoured personnel carriers.

Marked improvement in UK trading surplus

In Europe good results were again achieved, the transmissions business benefiting from the high level of passenger car production in West Germany, France and Italy, but with parts of its activities still affected by the generally depressed commercial vehicle market.

In the U.S. the autoparts distribution business, despite sluggish market conditions in the first part of the year, maintained good results and continued its growth in geographical coverage and product range. The transmissions operations performed well and benefited from the substantial increase in passenger car production.

Shareholders are told that in both India and South Africa activities suffered from recessionary economic conditions—GKN's shareholding in the principal Indian subsidiary, Guest Keen Williams, was reduced from 50.7 per cent to 49.99 per cent in November 1983.

The higher total contribution of profits from GKN shareholdings in related companies was largely due to the turnround achieved by the jointly owned Allied Steel & Wire (Holdings), which after substantial losses in the two previous years made a profit in 1983.

The tax charge for 1983 rose from £34.7m to £46.9m. The directors point out, however, that as a percentage of pre-tax profits the charge fell from 85 per cent in 1982 to 53 per cent last year, with the principal reason for the percentage reduction being the improved UK trading results.

Earnings for the year emerged at £35m (£0.8m), equal to 17.4p (0.5p) per share.

Minorities accounted for £6.2m (£5.3m) but extraordinary debits were cut sharply from £52.5m to £23.1m.

These charges, which included redundancy costs in discontinued activities of £5.5m (£7.5m), were in line with the estimate made in the interim report last August, and reflected further restructuring of the group's businesses.

Of the total, £14m was in respect of discontinued activities within the forgings and castings operations.

In spite of capital expenditure being some £28m higher than depreciation at £92m, there was a net cash flow over the year of £8.5m, compared with a £31.3m cash outflow for 1982. Capital expenditure in the UK totalled £45m (£35m).

Net borrowings, including obligations under finance leases of £24m at year-end, were £240m (£366m).

The net gearing ratio, defined as the net borrowings together with £25m of preference shares issued by a subsidiary, as a percentage of equity interest, improved to 40.8 per cent at December 31 1983, compared with 62.7 per cent.

See Lex

Hugh Routledge

Sir Trevor Holdsworth, the chairman of GKN, who yesterday commented favourably about 1984 after reporting a sharp improvement in the group's results for the past year.

Systems Reliability allocation

Applications were received from 123,851 applicants for 253,854,720 ordinary shares of the offer for sale of 2,631,500 Systems Reliability ordinary 10p shares.

Applications on pink forms from employees were accepted in full for 117,320 shares out of the 131,500 that were reserved in the first instance for employees.

Other applications will be dealt with as follows:

Between 100 and 10,000 shares—3,374 random ballots for 100 shares each; between 15,000 and 50,000 shares — allotted 100 shares; between 55,000 and 95,000 shares—allotted 250 shares; between 100,000 and 150,000 shares—allotted 1.5 per cent of shares applied for.

Applications for between 155,000 and 245,000 shares—allotted 1.75 per cent of shares applied; between 250,000 and 500,000 shares—allotted 2 per cent of shares applied for; over 500,000 shares—allotted 2.25 per cent of shares applied for.

Renounceable letters of acceptance will be posted tomorrow and dealings are expected to commence next Monday, March 19.

JFB pref passed

Johnson & Firth Brown still has a deficiency of distributable reserves and the board is therefore unable to recommend a resumption of payments of dividends to preference shareholders. Payment of the preference dividend due on March 31, 1984 and of arrears due since September '82 are being deferred.

Ultramar earnings rise £18m

ALTHOUGH pre-tax profits of Ultramar fell by £28.3m to £155.2m in 1983, a reduced tax charge meant net earnings rose from £104.1m to a record £122.1m. Turnover exceeded £2bn for the first time, with an increase from £1.51bn to £2.06bn.

The directors say the uncertainty as to oil prices and the lag in the pick-up of the demand for petroleum products makes forecasting profits for 1984 difficult.

However, the modernisation and expansion of the group's business interests in Canada, the U.S., Indonesia and the North Sea gives them confidence that 1984 will be a year of record profits for Ultramar.

The group's producing operations in Indonesia, Western Canada and the North Sea contributed most of the 1983 profits. But the Canadian and U.S. marketing operations did not do well.

Earnings per 25p share for the year improved from 91.9p to 93.3p and the dividend total is lifted by 2p to 17p net with a final payment of 11p. A one-for-one scrip issue is also proposed.

The directors explain that the year's net result was due principally to the reversal of deferred taxes in respect of the group's Eastern Canadian operations. Here capital cost allowances available as a result of upgrading and sophisticating the Quebec Refinery, together with those becoming available as a result of ongoing capital expenditures, make it unlikely that tax liabilities will arise for some considerable time.

On the other hand, in accordance with conservative accounting practice, the group has decided to exclude the business interruption insurance income arising from the accident to the Indonesian LNG Plant from the 1983 results, notwithstanding previous inclusion in interim figures.

It is not practicable at present to ascertain the full amount of the loss, the directors state, and a final claim will be determined and submitted at the end of the indemnity period in May 1984.

	1983 £m	1982 £m
Turnover	2,057.1	1,513.3
Cost of sales	1,806.3	1,245.9
Gross profit	250.8	267.4
Distribution costs	62.7	47.9
Admin. expenses	53.7	45.7
Interest received	25.9	29.3
Fixed assets disposal	11.6	0.2
Other income	6.2	3.2
Interest paid	22.9	23.0
Profit before tax	155.2	183.5
Tax†	33.1	79.4
Net profit	122.1	104.1
Ordinary dividends	34.5	19.2
Retained	87.6	84.9

† Comprises £52.3m (£54.7m) current tax and £19.2m credit (£24.7m charge) deferred tax.

Amounts recoverable will be taken into income when agreed.

Ultramar's oil sales increased from 183,800 barrels per day to 241,100 bpd in 1983. Oil refined dropped to 88,400 bpd (93,600 bpd), but oil produced increased by 1,000 bpd to 10,600 bpd. Gas produced amounted to 183.8m cu ft per day (170.2m cftpd).

The number of wells drilled moved up from 149 to 157 and 105 (87) oil and gas wells, in which the group has varying interests, were completed.

Cash flow from operations amounted to £124.5m, compared with £150.6m in 1982.

Capital expenditures for 1983 increased from £220.9m to £306.2m. Ultramar completed most of the projects in the major capital expansion programme which has been under way for the past few years.

The two new LNG processing trains in Indonesia and the catalytic cracking unit at the Quebec Refinery came on stream and have operated above design capacities. The North Sea Maureen Field commenced production and has exceeded the target of 70,000 barrels per day.

● comment

The slowdown in growth earlier in the year caused by the explosion at Ultramar's Indonesian LNG plant has been more than made up for by the subsequent doubling of capacity and the initial flows from Maureen. North America was less buoyant. Even taking tax benefits into account, the Quebec refinery barely broke even, although since the year-end production has risen from 70 per cent to more than 90 per cent of capacity and margins have widened. Pittston—now Ultramar Petroleum—made a loss for seasonal reasons, but should have a favourable impact on profits in the current quarter and provide a valuable U.S. outlet for Quebec products. In the current year, considerable growth from Canada, Indonesia and the UK should lift net earnings to between £150m and £160m. Meanwhile, an increasing flow of heavily taxed petroleum revenues from Forties and Maureen makes the acquisition of exploration acreage in the North Sea a possibility. The shares rose 22p to 722p.

TR Pacific pays 2p but draws on reserves

The TR Pacific Basin Investment Trust is paying a final dividend of 1p net per 25p share, which makes a total of 2p for the year to January 31 1984.

This involves drawing on the reserves to a "small" extent, but the directors say that unless the company's position is altered they intend to pay not less than 2p in the current year—dividends for 1982-83 totalled 2.75p, including a special payment of 0.75p.

Net asset value per share at end-January 1984 amounted to 269p (177p) and earnings totalled 1.92p (3.12p).

The directors expect corporate profits growth to be strong in most countries and substantially in excess of the rate of inflation.

In Japan, Singapore and Malaysia, they expect the economies to continue to recover and markets to rise further with Hong Kong remaining the most volatile market.

Total revenue for the year under review declined from £2.25m to £2.16m. Revenue after tax emerged at £686,000, compared with £1.1m. This was struck after deducting £307,000 (£232,000) management expenses, dollar loan interest of £405,000 (£290,000) and tax of £515,000, against £408,000 previously.

The directors say the expenses of managing a portfolio concentrated in the Far East are "substantial."

They point out that over 74 per cent of the company's portfolio is invested in Japan where dividend yields are low and say that these factors led to the reduction in reverse.

Horizon dips to £12.57m but pays 4p for the year

PRE-TAX profits at Horizon Travel for 1983 dipped to £12.57m from the previous year's record of £14.3m and below the £13.3m of 1981.

However, because of sharply lower tax charges attributable profits rose to a record £9.87m (£9.72m).

The pre-tax figure for the second half to November 30 at the Midlands-based holiday group was £11.86m, a drop of £345,824 on the corresponding figures in 1982. Extra depreciation and spending on aircraft had lowered the first-half pre-tax figure to £704,648 from £2.09m.

During the summer peak passenger numbers declined throughout the industry and this was reflected in Horizon. It carried 326,000 passengers compared with 334,000 in 1982, a load factor of 88.2 per cent (88.7 per cent). Turnover was £124.21m (£118.49m).

Its airline subsidiary, Orion Airways contributed £5.29m to group pre-tax profits after finance costs. Horizon Hotels, the holding company for its Spanish interests in Almeria and Menorca contributed £291,000.

Tax took £2.66m (£4.54m) and minority interests accounted for £32,677 (£39,702).

Earnings per 25p share were 23.35p (23p) and a final dividend of 3.12p (2.8p) makes 4p for the year (3.6p).

Mr Bruce Tanner, chairman, says price competition was intense in 1983, but margins for the year were 10.1 per cent on £124.2m turnover and were among the highest in the business. The company had consolidated its newly won position as the third in the summer market with an 8 per cent share.

Indications suggest that substantially increased bookings to date will enable a higher load factor to be achieved in the summer.

● comment

Horizon has at last learnt the value of fast footwork in the swashbuckling world of the tour operators. After being caught on the hop last year, by some snappy price-cutting from its rivals, Horizon was quick off the mark this year, relaunching its brochure before Christmas with prices 10 per cent down on 1983, and launching Broadway, a new down market operator. Price cuts in this business are of course often no more than the gains the operators make on the continuing fall of the Mediterranean currencies against the pound. But Horizon's new-found flexibility has paid off—summer bookings are standing at 32 per cent up on last year, and the company's forecasts of a 20 per cent or more gain at the end of the day could easily be attained. Load factors, crucial to maintaining profit margins, could rise from last year's 88 per cent to 90 per cent. The enormous impact of even a small percentage movement in this figure will be of particular benefit to Horizon since it will lead to bigger payloads for the Orion Airways subsidiary, whose fleet of 10 aircraft is being increased to 12 next year. For the current year, £15.5m pre-tax is on the cards. With the shares at 185p, up 5p, the p/e on an actual tax basis is 7.

Lawtex in the black at mid-term

A pre-tax profit of £104,000 for the half-year ended December 31 1983 is reported by Lawtex, umbrella and clothing maker, compared with a loss of £89,000 in the comparable period last year. The directors say they are encouraged by the continuing improvement in the group's performance.

After a two-year absence dividends are being resumed with an interim of 0.75p.

The directors attribute the improvement to the cost-savings resulting from last year's rationalisation, when the company closed units in the UK and Ireland, and some improvements in margins. The extraordinary costs associated with the closures were completed in the last financial year.

First-half turnover was down to £8.47m (£9.33m). Pre-tax profits were after depreciation of £73,600 (£74,400) and interest of £132,300 (£160,700).

Tax took £6,400 (nil) to leave attributable profits at £97,600 (loss £69,000). No extraordinary debits were charged for the period, against last year's £192,500 which were all connected with reorganisation.

Earnings were 5.2p per 25p ordinary share (loss 3.4p).

The company's liquidity continues to improve, with total stock down by more than £200,000 from the position at the previous year end.

The board expects to see further benefits from the restructuring reflected in longer term results, especially in business planning and management development.

UK COMPANY NEWS

Good second half boosts Rowntree to £61m

AN INCREASE in second half pre-tax profits of £8.5m to £45.3m has lifted the full 1983 figure of Rowntree Mackintosh, confectionery and grocery products manufacturer, to £61.4m, compared with a previous £50.5m.

Turnover expanded from £770.5m to £981.9m for the 12 months and with a higher final dividend of 6.55p (5.9p) the total is lifted to 9.75p, against 8.8p per share.

Mr Kenneth Dixon, chairman, says the group—brands include Aero, Black Magic and Yorkie—is well-balanced to make further trading and financial progress. He points out that its mature, established businesses are strong and have demonstrated their effectiveness during the recession.

The group's developing businesses, particularly in Continental Europe, "are responding to resolute, long-term strategies. Our recent acquisitions are performing well and have beneficially shifted the balance of the group's earning capacity," the chairman states.

Mr Dixon says that trading results, looked at as a whole, were fully satisfactory given the persistent effects of recession in some countries, the intensity of competition from other manufacturers and the growing pressure for higher discounts from increasingly powerful retail and wholesale distributors.

"Excluding acquisition costs, the group generated sufficient funds to finance all its needs, including capital expenditure of £58m, £16m higher than in 1982."

Mr Dixon says that the year's two North American acquisitions, Tom's Foods and Laura Secord, have increased the group's geographical spread and shifted significantly the proportion of earnings coming from non-confectionery sales.

Both businesses contributed immediately to group earnings: Tom's Foods has already demonstrated its capacity, the chairman adds, to generate cash well in excess of its own needs.

The European division is now making a positive contribution to the group's trading profits, "but there is still a way to go before its profits represent an adequate return on the investment we have made." However, considerable progress has been made, the chairman says. All the trading companies except Belgium made profits in 1983.

While the French company continued to improve its results and market share, a similar improvement occurred in the Netherlands, where steady growth over the past years has given Rowntree a stable and profitable business.

Management action in Italy has turned the company into a profitable operation allowing important marketing support for group brands. The Belgian market, however, is less buoyant and steps are being taken to tackle the problem there.

Germany is the most competitive market in the division; while sales volumes were lower in 1983, there are a number of well-established brands and recent management appointments will help the company build on this foundation, Mr Dixon states.

Pre-tax figure—reduced to £50.1m (£41.8m) on a CCA basis—was after interest charges up from £5.4m to £11.2m. Tax was £14.9m (£16m), minorities and preference payments £0.1m (£0.2m), and extraordinary debits amounted to £13.5m (£0.6m credits) which included £11m rationalisation costs.

Earnings per 50p share were 31p, compared with 24.5p.

● comment

It looks as if Rowntree might just be emerging from hibernation. The increased contribution from North American—£3.5m after interest costs, on six months' consolidation of Tom's Foods and Laura Secord — was broadly predictable. More significant, perhaps, is the £3m trading profit figure in Europe—the first ever substantial return after a decade and more of struggle, and consistent progress from loss in 1981 and break-even in 1982. The return in Europe is still meagre in terms of the investment, but if the German market perks up there is still much to play for. In the UK, a percentage point of market share was bought at the expense of £1m profit. The new chunky Aero bar has trebled the product's volume, chiefly—according to the company's chemists — because its organoleptic properties are improved out of recognition. This apparently means that it is easier to chew. This year's pre-tax might reach some £67.5m, which makes the shares, at 254p, up 4p fairly chunky value.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Bejam, Bolton Textile Mill, Brooke Bond, Chambers and Fargus, Coronation Syndicate, Howden Group, A. and J. Mucklow, Tweefontein United Collieries.

Finals: Appleyard, Barker and Dobson, British Petroleum, Cattle's (Holdings), T. Clarke, East Lancashire Paper, Electro-Protective, James Fisher, Grattan, Great Northern Telegraph, Hamilton Oil Great Britain, House of Lerose, Invergordon Distillers, Royal Dutch Petroleum, Sedgwick, Sharpe and Fisher, "Shell" Transport and Trading, Setas, TI, Transport Development, United Biscuits, Wolstenholme Rink.

FUTURE DATES

Interims—	
Epicure	Mar 19
New Cavendish Estates	Mar 19
Resource Technology	Mar 20
Finals—	
Carlton Industries	Mar 26
Castlefield (Klang) Rubber Estate	Mar 29
Church	Mar 22
Edinburgh Invest. Trust	Apr 24
Jones (A.)	Mar 22
KCA Drilling	Mar 28
Nichols (J. N.) (imto)	Mar 22
Planet	Mar 28
Weir	Mar 28
Wilsey	Mar 26

Confidence as Federated Housing soars to £1m

A SUBSTANTIAL increase in pre-tax profits is reported by Federated Housing for 1983. The figures improved from £574,000 to £1.13m, and the group is confident that 1984 will prove to be another successful year—given a continuation of current trends in the residential housing market in the south-east, and the increased workload arising from the agreement with Crouch Homes.

The dividend is 0.8p, as forecast, and the directors point out that if the issued share capital, as increased by the placing on the Unlisted Securities Market in November 1983, had been in issue throughout the whole year, dividends totalling 2.45p would have been declared.

Turnover rose from £8.33m to £11.28m, with gross profits amounting to £2.35m (£1.82m). Administration expenses were up from £886,000 to £1.05m. Other operating income was lower at £87,000 (£139,000), and operating profit was £1.39m against £1.08m.

The pre-tax figure was struck after interest payable of £274,000 (£504,000), but included interest receivable of £15,000 (£3,000).

Tax for the year was much higher at £488,000 compared with £189,000, and there was an extraordinary debit this time of £55,000. Earnings per 5p share improved from 5.2p to 8.4p.

In 1983, say the directors, the group experienced a steady demand for its houses, with spring proving a particularly active selling time.

Tilling helps BTR expand £64m to £170m—pays 8.5p

Sir David Nicolson, chairman of BTR.

INCLUDING £44.3m profits from Thomas Tilling, for the last six months of 1983, taxable surplus of BTR, general rubber manufacturer, expanded by £63.9m to £170.6m for the whole of the year.

Turnover of the enlarged group surged from £724.9m to £1.97bn and the dividend is effectively boosted from an adjusted 6.67p to 8.5p with a final distribution of 4.5p.

The directors say that the enlargement of the operating base through the acquisition of Tilling—the £650m takeover was completed last June—allied to a steadily-improving business scene "has provided new horizons, more opportunity and worthy challenges to an organisation fuelled on 17 consecutive years of earnings improvement."

Excluding any figures from Tilling for the group's first half, profits of BTR moved ahead from £48.7m to £58.3m for that six month period, despite a sales fall to £348.2m (£379.7m).

The directors point out that gearing is broadly in line with forecasts made at the time of the Tilling acquisition and they expect that 1984 will see a planned reduction of borrowings—the ratio of borrowings to shareholders' funds was 54/46 as at December 31, compared with 77/23 last time.

Sales in the European region "increased dramatically" to £1.14bn against £399.4m, largely as a result of the Tilling takeover and operating profits advanced from £56.4m to £116.2m.

Tax charge was £53.7m (£34.1m) and after minority interests £3.6m (£4m), and net extraordinary debits of £12.7m (£10m), the available balance came through at £100.6m, compared with £58.6m.

Earnings per 25p share were 6.3p higher at 25.4p, while net asset value increased from 88p to 130.6p per share.

Yearlings total £18.45m

YEARLINGS totalling £18.45m at 9⅞ per cent redeemable on March 20 1985 have been issued by the following local authorities:

Daventry District Council, £750,000; Reading Borough Council, £1m; Rotherham (Metropolitan Borough of), £500,000; Bassetlaw District Council, £500,000; Brent (London Borough of), £500,000; Gateshead (Borough Council of), £500,000; Mansfield District Council, £450,000; Lambeth (London Borough of), £1m; Sandwell (Metropolitan Borough of), £1.6m; Camden (London Borough of), £1m; Grampian Regional Council, £1m; Thamesdown (Borough of), £1m; Dwyfor District Council, £500,000; Islwyn Borough Council, £500,000; Kensington & Chelsea (Royal Borough of), £750,000; Mid Sussex District Council, £500,000; North Tyneside Metropolitan Borough Council, £1m; South Yorkshire Passenger Transport Executive, £500,000; Tunbridge Wells Borough Council, £500,000; Barnsley Metropolitan Borough Council, £1.5m; Braintree District Council, £500,000; Chester-Le-Street District Council, £250,000; Cumnock & Doon Valley District Council, £500,000; Eastbourne Borough Council, £500,000; Northampton (Borough of), £500,00; Wigan (Metropolitan Borough of), £1m.

Promotions House turns in £246,000

AFTER goodwill amortisation of £46,000, taxable profits of the Promotions House, an Unlisted Securities Market quote since August 9, amounted to £246,000 for the five months ended December 31 1983, on turnover of £4.29m.

Earnings per share were 1.09p and, as stated in the prospectus, a dividend will be paid in respect of the current year.

Lord Westbury, chairman, says that the first two months of the current year have started well, both at home and in the U.S.

Towards the end of last year, a controlling interest was acquired in Berkeley and Hay Hill Investments on a share exchange basis. The board intends to use the assets acquired by the issue of those shares by way of the acquisition, to maximise the group's assets wherever possible, and by placing 13m of its shares in Berkeley, the company was able to buy a controlling stake in Amalgamated Estates.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
BTR	4.5	May 16	3.5*	8.5*	6.67*
Camellia Invests	5	Apr 24	4	9	7
Federated Housing‡	0.8	May 4	—	—	—
Guest Keen	5†	May 14	4	3	8
J. Hewitt	3	—	1.95	3.6	2.4
Horizon Travel	3.12	—	2.8	4	3.6
Kean & Scott‡	0.77	June 22	—	1.1	—
Lawtex ...int	0.75	Apr 5	Nil	—	Nil
Rowntree Mackintosh	6.55	—	5.9	9.75	8.8
George H. Scholes ...int	5	May 16	5	—	17
Trafford Park ...int	3.5	Apr 19	3.25	—	9.25
TR Pacific	1	—	1	2	2.75¶
Ultramar	11	June 1	9.5	17	15

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Including 0.75p special.

BIDS AND DEALS

Octopus gets a grip on 30% of Sharpe's shares

BY CHARLES BATCHELOR

Octopus Publishing, Mr Paul Hamlyn's unorthodox publishing company, now has the support of shareholders owning 29.98 per cent of W. N. Sharpe, the Classic greeting card group, for its proposed £28m takeover bid.

Octopus also indicated it is ready to increase the value of any bid from the 390p per share level first proposed on March 7 though it considers the current market price of Sharpe to be unrealistically high.

Sharpe's shares rose 5p to 495p yesterday while Octopus was unchanged at 605p.

Sharpe has up to now refused to meet the board of Octopus although a further attempt was being made yesterday to establish contact, Morgan Grenfell, merchant bank advisers to Octopus said. Octopus is keen to get the Sharpe board support for its bid.

Octopus said yesterday that it had gained the support of the holders of a further 923,529 Sharpe shares representing 16.54 per cent of the equity in addition to the 13.45 per cent announced earlier this month.

Four institutions have undertaken to accept an offer from Octopus at or above 390p per share. If the offer were improved or revised these institutions would receive the same improved terms as all other shareholders.

Octopus said there was considerable commercial logic to the takeover. If it succeeded Octopus said it intended to continue and expand Sharpe's operations in Bradford.

Mr Hamlyn said: "I would have thought that if we have nearly 30 per cent of their shares it would be very strange if they don't agree to see us, even if they show us the door within two minutes. We have very tangible demonstrations of support from Sharpe shareholders."

Morgan Grenfell said: "We are extremely pleased to have got this level of institutional support. The quoted market price of Sharpe's shares is irrelevant because of the narrowness of the market. "The level of support we have from the institutions, many of whom have held the Sharpe stock for years, demonstrates what they think the company is fundamentally worth."

Octopus sold 25m books last year mainly in the form of own label publications by major retail chains such as Marks & Spencer and Sainsbury. It has a small card and stationery printing company, Tigerprint, with annual sales of £5m.

Sharpe had pre-tax profit of £4.92m on turnover of £17.5m in 1983.

Harris prepared to raise bid

Harris Queensway is prepared to raise its £35.6m bid for Stylo if it could get the agreement of the controlling Ziff family, Mr Phil Harris, the bidder's chairman, revealed yesterday. Mr Arnold Ziff, Stylo's chairman, however has refused Harris's requests for a meeting.

Lloyds Bank International, acting for Stylo, said yesterday that the company would not be prepared to discuss a bid until the professional property revaluation had been completed of the shops. This is unlikely to be finished for some months.

Mr Harris's statement that he would be prepared to increase his offer came as the second closing date of his offer came and went with only a few more acceptances coming forth. The bid has now been extended for another week to March 21 "to give Stylo shareholders an opportunity to express directly to their board their dissatisfaction with its attitude."

He warned that if Stylo had not recommended an offer by then the offers would lapse.

By 3 o'clock yesterday afternoon Harris had received acceptances accounting for 50.3 per cent of the ordinary capital, an increase of 2.25 per cent since the first closing date two weeks before. With Harris's existing stake that lifts its acceptances to 55.4 per cent.

But because of the management shares which confer 16 votes apiece to their family holders, Harris can only command 31.29 per cent of the voting rights and has no hope of winning the battle without a dramatic shift in the Ziff family stance.

Mr Harris said yesterday "The Stylo board's action appears to disregard the interests of Stylo shareholders as a whole. Shareholders should seek an explanation for their board's decision which denies them the opportunity of any improved offer from Harris."

In the market Stylo's shares closed at 260p against an offer of 325p.

Petrocon bids for Drilling

Petrocon Group, which provides services to the oil exploration and production industry, is making an offer for the 70.2 per cent of Drilling Tools Holdings it does not already own. The terms are £12.25 in cash for each share, with a partial share alternative which value the company at some £2.7m.

Investors in Industry has irrevocably undertaken to accept the offer in respect of its 84,273 ordinary shares (38.2 per cent). This together with the 65,500 Drilling shares already owned by Petrocon amounts to 149,773 ordinary shares, representing 68 per cent.

In order to reduce the expenses of the offer, Petrocon intends that a resolution will be put before Drilling shareholders for a capital reorganisation. This will not however, affect the value of the offer.

The partial share alternative provides 5 Petrocon ordinary 12½p shares in lieu of every £7 of cash consideration. However, not more than 600,000 Petrocon shares will be issued pursuant to the offer and if elections give rise to an excess of this amount, all will be scaled down pro rata. For the purpose of such scaling down, the Petrocon share value will be taken as 140p.

Investors in Industry has agreed not to elect to receive more than 100,000 Petrocon shares under the share alternative.

Drilling's principal activity is the rental of drilling equipment, mainly in the North Sea, from bases in Aberdeen and Holland. Net tangible assets at March 31, 1983 were £1.9m (excluding deferred tax of £0.86m). Pre-tax profits for the six months to September 30, 1983 were £15,710, against £1.23m for the year to March 31, 1983.

Petrocon's pre-tax profits for the six months to June 30, 1983 fell to £263,000, against £605,000 in the same period of 1982. The Petrocon board considers the acquisition will enhance the enlarged group's ability to supply the new generation of North Sea oil fields and increase its ability to compete in other world markets.

BIDS AND DEALS IN BRIEF

Henry Boot & Son, the Sheffield based construction, railway engineering, joinery and property and investment group, has acquired Thos. W. Ward (Railway Engineers) of Sandiacre, Nottingham.

Ward will continue to trade under its present name with switch and crossing manufacture remaining at its Sandiacre plant.

* * *

Maurice James Industries has exchanged contracts with private purchasers for the sale of a freehold property in Berkshire for an aggregate cash consideration of £1.35m, payable in full on completion on March 30, 1984.

The property was acquired by the company in June, 1983 for a total cash consideration of £725,000. It will be reflected in the balance sheet of the company for the year to December 31, 1983—which has still to be audited—as a current asset with a book value of approximately £820,000, reflecting the carrying charge to that date.

The company will utilise the proceeds of the sale of the property in the repayment of bank borrowings.

Following acquisition of the property in June 1983 the company upgraded the building and secured a tenant for the property on a gross rental income of £110,000 per annum.

* * *

Longton Industrial Holdings has acquired a storage and distribution business operating out of Tetbury, Gloucestershire from Mitchell Cotts Transport Services.

* * *

A. J. Worthington (Holdings) has decided to proceed with the closure and sale of property, machinery and stock assets of its subsidiary W. H. White and Son in an attempt to save other parts of the company. As a result, the company's borrowings will be reduced.

* * *

In a Costain Group circular the chairman forecasts group profit for 1983 will at least equal that for 1982.

* * *

Stillsbury, an associate of Michael Black, has purchased 2,000 Black shares at 74p each, 20,000 at 74.5p and 5,000 at 75p, bringing its holding to 149,500 shares.

* * *

McCorquodale has agreed in principle terms for the acquisition of Avon Valley Investments.

* * *

Hestair has acquired the 40 per cent minority interest in Rand Service (Holdings) for £400,000, giving it 100 per cent of the capital.

Net tangible assets of Rand based on a pro-forma balance sheet as at December 31 1983 were £475,000 before a property revaluation surplus of £98,000. Pro-forma accounts for the 12 month to that date indicate trading results as approximately breakeven.

A subsidiary of James River paid 73p per share for 300,000 ordinary it acquired in G B Papers earlier this month.

* * *

Harvey & Thompson has completed the acquisition of the pledge portfolio, premises and goodwill from Kelmscote, a Manchester-based pawnbroker and money-lender for £75,000 in cash.

SHARE STAKES

Amal Estates Holdings—D. B. Pearl and A. Taylor are deemed to be interested in 1,797,330 ordinary shares (4.9 per cent) by virture of their being able to exercise the relevant voting power of the promotions house. This interest arises through a renegotiation of the agreement between the Promotions House and Linden Holdings, whereby PH has agreed to retain 1,797,330 ordinary out of the 9,476,424 shares it has previously agreed to sell to Linden. Messrs M. Harvey, D. Abili, S. H. Shah and S. Shash have been appointed directors of the company.

Kennedy Smale—Suter now holds 395,000 ordinary (6.5 per cent).

New England Properties—Ege 18 BV, a subsidiary of Friesch-Groningsche Hypoteekbank NV has re-acquired 800,000 ordinary shares which it disposed of on December 21. Purchase price is again 20p per share. This acquisition increases FGH NV and its subsidiaries holding from 19.99 per cent to 23.49 per cent.

Five Oaks Invs—Consult Property Development Company has reduced its interest below 5 per cent of the issued share capital, by the disposal of 1.5m shares. Benjamin Anderson has increased his interest by 120,000 shares to 385,000 shares (6.12 per cent), Rotent Resources has purchased in total 940,000 shares (14.95 per cent). Balnce of the shares disposed of has been placed with institutional investors, none of whom holds 5 per cent or more of the issued ordinary capital.

Arthur Lee and Sons—J. R. Massey has interests in a total of 1,580,000 (5.09 per cent).

Oil and Gas Production—Merchant Navy Ocers Pension Fund Trustees is interested in a total of 5,616,500 ordinary shares.

Associated Fisheries — John Bennett, deputy chairman, ceased to be interested in 11,556 8 per cent cumumlative preefrence shares and 1,552 4½ per cent cumulative preference shares.

Guinness Peat Group—Sir Fred Warner, director, acquired an interest in 10,000 ordinary.

J. T. Parrish — Judith L. Moody has disposed of 6,500 ordinary shares reducing holding to less than 5 per cent. Geoffrey Parrish, director, disposed of 7,200 ordinary reducing holding to 93,550 shares (13 per cent). Barclays Bank Trust Company disposed of 20,000 ordinary reducing holding to 51,640 shares (7.2 per cent).

Marks and Spencer—S. J. Sacher, director, acquired 30,000 ordinary shares as a trustee.

Stock Conversion and Investment Trust—Equity Trust has sold total of 250,000 ordinary reducing holding to 11,967,500 shares (22.86 per cent).

Wyndham Eng — Cordncons Secs, a company controlled by chairman Brian A. Brownhill, acquired 20,000 ordinary and Bartri, a company also controlled by Brian A. Brownhill, acquired 6,000 ordinary increasing his holding to 247,709 ordinary (23.35 per cent).

Granada Group—Trust of which D. James, director, is a co-trustee, sold 55,000 "A" limited voting ordinary shares (0.03 per cent).

MINING NEWS

Far East trust to raise £48.3m

Charterhouse J. Rothschild, the financial services group, yesterday revealed details of its first ever Far Eastern investment trust.

Charterhouse J. Rothschild Pacific investment trust will have an initial capital of £50m, consisting of 50m ordinary shares of £1. Charterhouse has agreed to subscribe for 10m shares and the balance is being offered for sale. Institutions intend to take up 27.5m, leaving 12.5m for offer to private shareholders. Approximately £48.3m will be raised net of expenses.

Applicants will receive a warrant to subscribe for one ordinary share for £1 in cash for every five ordinary shares acquired. The warrants may be exercised between 1985 and 1989, and if exercised, a further 10m ordinary shares will be issued.

The trust, to be wound up in 1994, will invest chiefly in Japanese equities and go for high capital growth, with negligible dividends. It will invest in other Pacific markets as opportunities arise, and pending investment, funds will be invested in short term yen obligations.

Mr Richard Thornton, formerly of GT Management group, is the trust' schairman. Applications open next Tuesday and dealings are expected to open on March 26. Brokers to the trust are Cazenove and Co.

● comment

CJR Pacific's management feels cautious enough about Japan in the long-term to pick its portfolio with unhurried care. It expects to take nine months to a year to become fully invested, and will concentrate on classic high-flying sectors, including electricals, financial services and computer stocks. In the past year, other specialist Japanese investment trusts have set a hard act to follow, and CJR is setting its sights on a total return of 20 per cent, which is comparatively modest by the standards of the Far Eastern league table. Yet investors' thirst for a new vehicle in a modish field and Richard Thornton's track record as GT's Far Eastern guru could send the shares to a premium. The warrants distort the picture, coming as an unusual perk in the Japanese field, but analysts are looking for a premium over the issue price of at least 10 per cent.

Echo Bay plans to offer new shares and 'tax units'

BY KENNETH MARSTON, MINING EDITOR

CANADA'S gold-producing Echo Bay Mines has filed a preliminary prospectus with the Canadian regulatory authorities for a proposed public offer of 4m common shares in Canada and the U.S. The proceeds of the sale will be used to redeem the company's C$40m (£21.5m) outstanding C$3 preferred shares and to reduce bank indebtedness.

A separate preliminary prospectus is also to be filed in Canada for the sale to investors there of "flow through" units. These will earn shares in Echo Bay and the funds to be raised by this offer will go to funding the C$5m exploration programme for 1984.

Mr Robert F. Calman, chairman of Echo Bay, points out that this offering will permit exploration tax deductions, which are of no immediate benefit to the company, to be passed on to Canadian tax-paying investors.

Echo Bay owns Canada's third largest gold producer, the Lupin mine near Contwoyto Lake in the Northwest Territories. In this Arctic region, accessibility is only possible by air for 10 months of the year. In the remaining two months it is possible to use an ice road which runs 240 miles to Yellowknife.

Lupin started production in October 1982. In the following year it boosted gold output to 118,000 oz, lifting Echo Bay's earnings to a restated C$9m compared with a net loss of C$47,000 in 1982.

The mine is reckoned to have an operating life of about 15 years, although the deposit is still open at depth. Gold production for 1984 is now estimated at 156,000 oz and a revised forecast of earnings is to be given with the annual report which is due shortly.

LAC is to offer $50m gold-linked debentures

A LEADING Canadian gold producer at its existing operations and holding an important stake in the new Hemlo gold camp, Lac Minerals, proposes to make a gold-linked debenture offer. Last year a proposed offer of 1m shares had to be withdrawn because of the fall in the gold price and the resultant depressed sharemarket conditions.

This time Lac is to offer for sale in Europe an issue of US$50m debentures bearing interest at 8 per cent per annum and due April 15 1989.

Each US$1,000 debenture is accompanied by four gold purchase warrants. The latter entitle the holder to buy 0.5 oz gold for each warrant at a price of US$230—equal to a price of US$460 per oz—exercisable until April 15 1989. Gold closed at $399¼ in London yesterday.

Banking on gold mines

BUYERS are being sought by Continental Illinois Bank (Canada) for the assets of Balmoral Mines which has debts of some C$38m (£20.4m). In the meantime the bank is to continue to operate Belmoral's gold mines and mill in Quebec.

The bank says that there is no longer a contractual basis to lend Belmorel money to cover corporate expenses. It is supplying information on the gold mining assets to about 30 possible buyers and "there is substantial interest" in the assets.

While the bank would prefer the quicker course of selling the mining assets, it points out that it could continue to work the mines and recover the debt that way. They have been operated by the bank's agent, since possession of them was taken in July 1982.

UK COMPANY NEWS

Cement Roadstone I£27m rights

BY ALISON HOGAN

Cement-Roadstone Holdings, the Irish cement and aggregates company which has seen its profits slashed from I£20.6m to I£9m in the last two years, is asking shareholders for I£27m through a one-for-four rights issue at 62p per share.

The proceeds will bring down borrowings and prepare the company for further expansion, probably overseas, to lessen Cement's reliance on the Irish economy.

Cement made pre-tax profits of £9.08m in the year to December, compared with £15.51m. The result was better than had been expected due to a pick up in volume of cement sales in Ireland in the second half and a lessening of the threat from cheap cement imports.

Group sales to external customers rose from £453.96m to £418.66m. Home sales were down 7 per cent on the volume last year, a better than expected figure due to a marked improvement in the second half.

Cement has completed the major aspects of its heavy programme of capital investment in Ireland with the completion of the new Limerick cement works at a cost of £100m, well below budget.

The overseas operations have almost all increased profits with the Netherlands company Van Neerbos having an excellent year, according to chief executive Jim Culliton.

The U.S. construction companies showed an improvement as did the TBF Thompson group in the UK. In Britain, Forticrete profits increased substantially, while Robert Abraham concrete slab company had an "outstanding" year.

The only company to make a loss was Premier Periclase.

The government found its distributable profits heavily hit by an onerous tax charge of £1.58m of which £1.232m was ACT.

The board is therefore recommending a final dividend of 1.5p net making a total of 2.5p for the year compared with 5.86p. It also forecasts a mintained payment for 1984 on the enlarged capital.

It says that the improvements in the results of its overseas operations gives grounds for cautious optimism about the current year, though there may be a further small decline in the volume of sales in Ireland.

Dealings in the 45,076,810 new ordinary shares of 25p each will commence tomorrow. The latest date for acceptances is April 5. Subscribers not resident in Ireland may subscribe 51p sterling per new ordinary share compared with the 62p in Irish currency.

The closing price of the shares on the London Stock Exchange yesterday were down 2½p at 58½p.

● comment

It has been a tough couple of years for Cement-Roadstone battling against the severe recession in Ireland at a time of high capital investment—only to be whacked with a hefty ACT charge for its efforts. But the management has established their credentials and they now have a modern efficient cement and aggregates business in Ireland, if and when volumes take off again. Meanwhile, the move overseas is already well under way. The plan (pre-recession) was to earn around one-third of profits overseas. In the end 60 per cent of turnover was overseas while £7m of the £9m profits were earned abroad. Further acquisitions seem likely in the current year. The rights issue was not urgently required for refinancing debt. Gearing comes down from 48 per cent to 32 per cent post rights. For shareholders who came into Cement Roadstone as a high yielding stock, a dividend cut together with the rights issue is a further blow. It may have been kinder to wait until there was some upturn in profits and dividends before asking for funds, yet the acquisition when it comes may prove a faster route to profits growth than waiting for the Irish recession to lift.

Anglo African slumps and omits dividend

Following a fall from £173,013 to £133,509 at halfway, pre-tax profits of Anglo-African Finance, investment company and security dealer, dropped from £5.77m to £877,00 for the year ended July 19 1983.

The dividend has been omitted for the period. The company paid 1.125p net per 7½p share for 1981/82.

After a tax charge of £1.47m (£2.24m) and associate companies losses of £328,000 (£752,000 profits), there was a loss of £916,000, compared with profits of £4.28m.

There were minority credits of £82,000, against debits of £3.07m, and an extraordinary debit, up from £43,00 to £187,000. Loss per share was 9.05p (13.2p earnings), before the extraordinary items, and 11.07p (12.73p earnings) after the same.

The items comprise mainly charges and provisions fornonrecurring costs within the group and associates, as well as the share of net surpluses from property disposals.

Blenheim Clinics

Energy Finance and General Trust is placing up to 250,000 ordinary shares in Blenheim Clinics at £1 per share.

The placing proceeds, together with bank finance, will enable Blenheim to purchase and convert premises at South Norwood into a 20 bedroomed private clinic. It will be a specialist psychiatric clinic and if successful, the objective would be to expand the company's operation by the opening of further clinics.

Support for the clinic is expected to come from a wide range of consultants in the area.

The directors intend to seek a quotation on the USM when trading and other circumstances permit.

Kean & Scott profits leap 93%

Kean & Scott Holdings, the home improvements subsidiary of Hawley Group, hoisted pre-tax profits by 93 per cent from £2.84m to £5.46m in 1983, on a Proforma basis. Turnover rose by £9.83m to £50.94m.

The year's results incorporate the accounts of the company and each of its subsidiaries from the effective date of acquisition as follows: Alpine (Double Glazing) Company—April, 1983; Dolphin Showers—April, 1983; Sharps Bedroom Designs — October, 1982.

The imposition of VAT on building improvements should not materially affect the medium/long term development of the group, the directors state. But the delay in implementation of the tax until June 1 will provide the group with a significant short-term sales opportunity.

It is expected that Sharps Incorporated will be fully operational in the U.S. by late summer, they add.

Early indications give the directors grounds for guarded optimism.

A final dividend of 0.77p makes a net total of 1.1p net for 1983—not less than 1p was forecast in the September 1982 prospectus. The company's shares are traded on the Unlisted Securities Market.

At the operating level, profits climbed from £2.88m to £5.38m. Interest added £81,000 (took £27,000) and after tax up from £0.95m to £1.43m, earnings per 10p share were 4.6p, against 2.1p.

Dividends absorb £635,000 (£282,000) leaving a retained surplus of £3.39m (£1.62m.

● comment

The market was more concerned with the impact of VAT on Kean & Scott's fitted bedroom furniture business, Sharps, especially as outside forecasters had managed to pinpoint 1983's profits remarkably accurately given the jumbled time-scales of the three component companies within a 16-month "year." The shares slipped 1p to 52p yesterday where the p/e is 11 on proforma earnings. The common shape to the three K & S subsidiaries is that they are all servicing the home improvement market and all targeted at sectors with fair growth potential—Sharps in particular. It has only a 6 per cent share of the infant fitted bedroom furniture market. Alpine, despite the high profile of its name, has only a 4 per cent market share, so cranking that up to its former position as a major force in the double glazing market should not be too daunting a task. Only Dolphine can claim to already be a substantial player in its field. This summer's VAT imposition is bound to bunch orders into the first half but there is no reason to change a 12-month forecast of £7½m to £8m. More acquisitions will come and home security would be an obvious addition. The shares appear modestly priced but Mr Ashcroft faces cynics as well as fans.

Rea Brothers improves by £24,000 to £875,000

AN INCREASE of £24,000 to £875,000 in group profit after tax and after making a transfer to inner reserves, is reported by Rea Brothers, the London private banker and financial services concern, for 1983. Of the total profit, £457,000 (£485,000) has been dealt with in the accounts of the holding company.

After dividends of £379,000 (same), retained profits emerged at £496,000 compared with £472,000. Balances brought forward were £334,000 (£1.25m), resulting in a transfer to capital reserves of £429,000.

The balance-sheet shows shareholders' funds were up from £8.25m to £8.75m, and at the year-end, acceptances for customers totalled £24.88m compared with £18.21m. Deposits stood at £155.97m (£146.38m).

Current assets were lower at £93.95m (£94.57m), and this included balances with bankers and money at call, £41.04m (£35.17m), other loans to local authorities and banks, £11.8m (£5.94m) and listed investments of £2.78m (£1.48m).

Advances and other accounts for the group totalled £80.52m.

The bank, together with one of its subsidiaries and other persons, is a defendant in a legal action brought in the United States by a purported stockholder of Canal-Randolph Corporation.

While they cannot be certain of the outcome—having taken legal advice in the U.S.—the directors believe that the plaintiff's case is without merit. Accordingly, no provision in respect of this matter has been made in the accounts.

J. Hewitt tops profit expectation

BETTER RESULTS than had been expected have been achieved by J. Hewitt & Son (Fenton) for the year 1983, and the company is paying an increased final dividend of 3p which lifts the net total from 2.4p to 3.6p per 25p share.

A one-for-10 preference capitalisation is proposed along with a one-for-two scrip issue for ordinary shareholders.

On a £2.46m rise in turnover to £7.43m the group, which manufactures industrial and domestic refractories, pushed its pre-tax profits up from £487,822 to £1.03m for the full year.

In their interim report the directors expected profits in the second half to be similar to the £380,000 earned in the opening half.

In the current year sales of some products have declined. Although it is hoped this fall is only temporary, the directors point out that present trends suggest it will be difficult to maintain the "exceptional" results of 1983.

Tax for the past year accounted for £387,219, compared with £145,652 previously, to leave attributable profits £300,927 ahead at £643,097. Earnings came through at 27.4p, against 14.1p, per share. On a CCA basis attributable profits totalled £517,087 (£202,395).

Trafford Park

Manchester-based industrial and commercial property developer Trafford Park Estates showed a slight increase in pretax profit for the half-year to December 31 1983 to £1.19m, against £1.07m, and is lifting its interim dividend from 3.25p to 3.5p.

Gross income for the period rose from £2.44m to £2.64m, of which rentals contributed £1.46m (£1.44m) and warehouse and trading £1.18m (£1m).

The company paid £486,000 in tax (£378,000), minorities of £31,000 (£26,000), and an extraordinary item of £12,000 (nil).

Blundell-Permoglaze

A varying pattern in demand had been experienced in the opening period of the current financial year at Blundell-Permoglaze Holdings, Mr Robert White, the chairman, told the annual meeting.

During the period, which included the winter months, exports had ben buoyant and the insulation products had continued to show the encouraging trend which emerged at the end of last year.

He added: "Industrial sales, reflecting the level of activity in the manufacturing industries we serve, do not yet show positive signs of revival, while the economy of the Republic of Ireland gives no sign of improvement. The German subsidiary is meeting its budgetary targets and shows promise."

Mr White said he was confident that the group's final result would show a measure of improvement in its recent level of profit.

TECHNOLOGY

EDITED BY ALAN CANE

JAPANESE BENEFIT FROM INTERNAL INSPECTION

Olympian inside view

BY ROY GARNER IN TOKYO

IN 1868 a sword-swallower in Germany exchanged his showman's blade for a specially constructed tube, and gave the world its first recorded direct viewing of the inside of the human stomach.

Even he probably did not imagine it would be almost 100 years before anything much more sophisticated was to take the place of that crude early gastroscope device.

That advance, when it came, turned out to be a quantum leap; all made possible by the arrival of optical fibre technology.

The first fibrescope, a flexible tube fitted with a shaft of bunched optical fibres within its outer wall which transmit images through total internal reflection, was made by a U.S. researcher, Professor Herschewitz and marketed by the American Cistoscope Makers Inc (ACMI), in 1958.

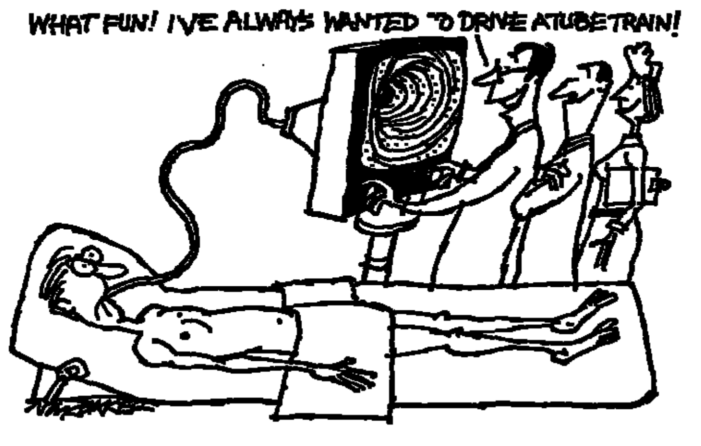
Since that first breakthrough the fibrescope has revolutionised the field of internal medicine, allowing a drastic reduction in the use of surgery and X-rays. It was a great aid in early cancer detection and the location and stopping of internal bleeding.

The fibre optic endoscope (instrument for viewing internal parts of the body) has also been a runaway success story for a far-sighted Japanese manufacturer, Olympus, which currently holds 70 per cent of the world market, and 85 per cent of the Japanese market, for the product.

First and *foremost*, the endoscope is an inspection device, but in the short period since 1976, when the first operation was carried out using instruments inserted through the tube, over 800 internal operation techniques have been developed which utilise a wide range of scopes able to reach into most of the body's key organs, including the lungs, the duodenum and the colon.

For the patient, an endoscope inspection is more uncomfortable than actually painful and in Japan is normally carried out without sedation, though in the West it is commonly carried out under anaesthetic. The discomfort is normally viewed, by Japanese patients, as a small price to pay when the alternative can often be surgery.

Endoscopes come in various lengths and normally have two



tubes: the thicker one for connection to electrical equipment and the thinner one for internal operation. The two are joined at a control cluster having a tube angulation levers, viewing eyepieces and an external camera attachment.

At the end of the operation tube is an internal light source, optical lenses and a control opening through which miniature instruments (attached to separate cables) can pass.

The key technological challenges include the manufacture of a precision controlled, non-buckling, tube, the maximising of the internal viewing area and image quality, and hardware which is durable and can easily and safely be operated, washed and disinfected.

A reduction of tube diameter is also important, and technology is now available for equipment for use with children which has an outside diameter of only 2 millimetres.

When fibrescope production began in 1963, Olympus' only competitors were two low-volume makers of high-quality medical equipment; Machida in Japan and ACMI in the U.S.

Olympus' superiority in optical technologies enabled it to achieve sales of 10,000 units in Japan by 1968, and growth continued at 20 per cent to 30 per cent for the next ten years. Currently the overall annual growth rate of the market is 10 per cent to 15 per cent, though the Middle East is especially dynamic, growing at around 25 per cent annually. Olympus ships over £60m worth of instruments each year in each of Japan and the U.S., £56m worth to Europe and £30m worth to the rest of the world, with sales in 85 countries.

Probably the most exciting aspect of the market is the growing use of endoscopes in very poor countries, where stomach disorders are common and often fatal. The deciding factor in sales is usually the cost-effectiveness of treatment, and the cost of training. Demand is high in the U.S., for example, because of the high returns which can be obtained in the private medical sector.

An endoscope is typically priced at around £4,500, or £6,000 when the necessary ancilliary equipment is included. The easy to operate colonoscope is the current best-seller, and the chief restraints on the market are the need for training and the high level of investment needed in after-sales service.

In the early 1970s other Japanese companies began making prototype endoscopes, including Fujino (a subsidiary of Fuji film) and Pentax. Olympus claims, however, to have lost no more than 30 per cent of the general market or 10 per cent in specialised areas, over the past ten years. Over the next five years new local manufacturers are expected to appear in the U.S., West Germany, France and the USSR.

Olympus attributes its market hold to an extensive long-term involvement, and investment, in medical research activities, and has strong manufacturer/doctor relationships in many countries with which it will be hard to compete.

The company says it relies heavily for future R and D advances on 15 or so prominent endoscopy researchers based in Europe. In Europe and the U.S. colonic cancer is the biggest killer. In Japan gastric cancer is highest, but about to be overhauled by lung cancer. In all areas endoscopy can be an invaluable tool for early diagnosis, and the rymoval of small tumours.

Dr Masatoshi Esaki, of the Hiratsuka Icho Hospital in Ikebukuro, Tokyo, holding the endoscope equipment

New industrial uses for fibrescopes are also attracting attention, notably as borescopes for aircraft wing, and automobile engine, internal inspection.

Fibre optics allowed a previous impossible "forward viewing" capability in endoscopes. More recent advances include the use of laser and microwave beams (especially for burning shut haemorrhaging blood vessels) and the addition of an ultra-sound scanner, which is useful in both medical and industrial fields.

The latest Olympus "OES" endoscope reduces the diameters of the fibres in the image guide by 20 per cent. This allows the use of 10 per cent more glass fibres. Resolution is improved and the image is about 2.8 times larger than in conventional devices.

Hiratsuka Icho hospital in Ikebukuro, Tokyo, has been one research leader, and was the first Japanese hospital to use the endoscope successfully to stop internal bleeding, in 1970.

Researcher Dr Masatoshi Esaki claims that the endoscope is now almost 100 per cent successful for this treatment, using either laser or microwave equipment, and a success rate of 80 per cent has been achieved for the destruction of malignant tumours of 1 centimetre or less.

Inspection is the primary task however, and hospital director Dr Hideo Hiratsuka says that over 40 cases of early cancer per year have been detected or confirmed by the method. He estimates that in five to 10 years time the endoscope could replace the, potentially harmful, X-ray *for this task, as* equipment is refined.

In November, Dr Hiratsuka is to chair a gathering in Tokyo of 3,000 endoscopy specialists, many from south east Asia. At the conference a hot topic for discussion will be the "video endoscope," an exciting new advance announced by the U.S. company Welch Allyn.

In *this* device optical fibre is completely replaced by a tiny microprocessor which converts optical images into computer-readable signals, which are then transmitted onto a video monitor. The image quality is claimed to be equal to the fibrescope.

Olympus says the announcement has come earlier than expected, but claims to be already heavily engaged in the technology.

The company believes that it will take a long time for this technology to be cost-competitive with the fibrescope. Industry sources suggest this might not be the case in certain industrial, and perhaps military, applications however, and the video endoscope could be a "dark horse" technology in the making.

CELLULAR RADIO

Market growth

BY GEOFFREY CHARLISH

ACCORDING TO Frost and Sullivan, the U.S.-based market research group, there will be 1.1m cellular radio subscribers in Europe by 1990 and 1.6m in the U.S.

The difference, however, will be that in North America—a continental land mass of commensurate size and population to Europe—a common system will be used by all, whereas Western Europe "has failed to agree on a standard for cellular radio in the 1980s." There will be at least three and probably four incompatible systems in widescale use.

Cellular radio is being implemented because conventional radiotelephone systems cannot accommodate the large numbers of would-be subscribers. The available radio spectrum space has been used up. The effect is similar to the crowding in the medium waveband of a transistor radio—no more stations can be squeezed in.

By using small geographical "cells" of limited radio coverage, each with a low power base station transmitter, the channel frequencies of a cell can be used again in another cell only a few miles away on the other side of the city.

Computer techniques and fast electronic switching "hand off" a vehicle (unnoticeably and in mid-conversation) as it moves from one cell to another.

Britain is to use a system pioneered in the U.S. by AT & T and Motorola, called AMPS, and renamed TACS for the UK (total access communications system). Service is due to start in London in 1985 and will be provided by two competing companies, Telecom Securicor Cellular Radio, TSCR (which recently placed a £20m order with Motorola for network equipment), and Racal-Millicom.

The decision means that the UK will be only about a year behind the U.S. and well ahead of other European countries (except the Scandinavians) in providing a service.

But as Frost and Sullivan points out: "TACS is incompatible with the other Western European systems and it risks opening up the UK market to floods of overseas competition from suppliers serving AMPS markets."

Scandinavia introduced the NMT (Nordic Mobile Telephone) system in 1982 and by 1983 had 30,000 subscribers in the four countries. But it is a 450MHz low capacity, low population density system and was rejected by the UK in 1983, although Ericsson is working on a 900MHz version, to be available in 1985. Austria, Belgium, Eire, Holland and Spain, however, are committed to NMT.

The Siemens Netz C system with 200 channels is being introduced in West Germany next year. But F and S predicts that the Deutsche Bundespost will shift to the now-agreed 900MHz European band in 1987, with Netz D and 1000 channels.

In France, MATS-E, the Philips/CIT-Alcatel system has been rejected by the French PTT and, says F and S, "has failed to find a customer elsewhere." The research company expects France to adopt Netz D, with service perhaps by 1987.

The likely level of shipments of mobile units in Europe is put at 69,000 in 1985, worth $148m, rising to 370,000 units worth $465m in 1989. The installed base by then is forecast at 1.085m, which is only a 0.6 per cent penetration of the likely motor car population in 1987.

In the UK, Racal-Millicom intends to spend $300m by 1989 on 941 cells and 244 remote switch groups. It expects to be generating revenues of $500m annually from the service in 1989, from between 250,000 and 300,000 subscribers. No figures of this kind from TCSR appear in the report.

Cellular radio is expensive to set up due to the multiplicity of sites and transmitters. F & S puts the cost at about $1m per cell and $3.75m for a switching centre. A 50 cell four switch system works out at $65m.

The key issue—how much cellular radio will cost the subscriber—is approached with caution by F & S, since no one knows for sure what the consumer reaction will be.

But a price/demand curve, giving total cost including rental of mobile equipment and 200 minutes of air time per subscriber per month, shows that, when the 100,000 subscriber level is reached, the cost will be about $1,400 a year in the average country. But in the early stages, say with only 10,000 subscribers, the figure might be nearer $2,500.

The European Market for Cellular Radio. $1,900. Frost and Sullivan, 104 Marylebone Lane, London W1M 5FU (01-486 8377).

Retailing

Computer expansion

MIKE McCONNELL, international president of Computerland, the U.S.-based computer shop chain, revealed this week that there are now over 40 branches in Europe of which eight are in France, seven in Germany and five in the UK.

In the U.S. the count has now passed 500, with coverage in most of the states, and the total turnover in 1983 fell just short of $1bn, of which about 10 per cent was attributable to the 110 branches outside the U.S.

Firm plans include a further 14 stores to be opened in the UK this year, and another 40 in Europe. A European headquarters will open in Luxembourg in about a fortnight.

McConnell says that Computerland's turnover tripled in 1983. The company was started in 1976.

Materials

Super tough plastics

DUPONT HAS announced a new stiffened, "super-tough" grade of thermoplastic polyester resin called Rynite SST for which it expects major applications in the vehicle, consumer and industrial fields.

The new grade contains "a proprietary toughening system for polyethylene terephthalate polyester (PETP)" and has a very high stiffness, a high flexural modulus and one of the highest impact values of all thermoplastics, says Dupont.

In one demonstration, an electric drill housing made from the material was loaded with 1.5kg of lead and dropped through about 20 ft on to concrete.

More from George Stueverman at Dupont in Geneva on 022 378710.

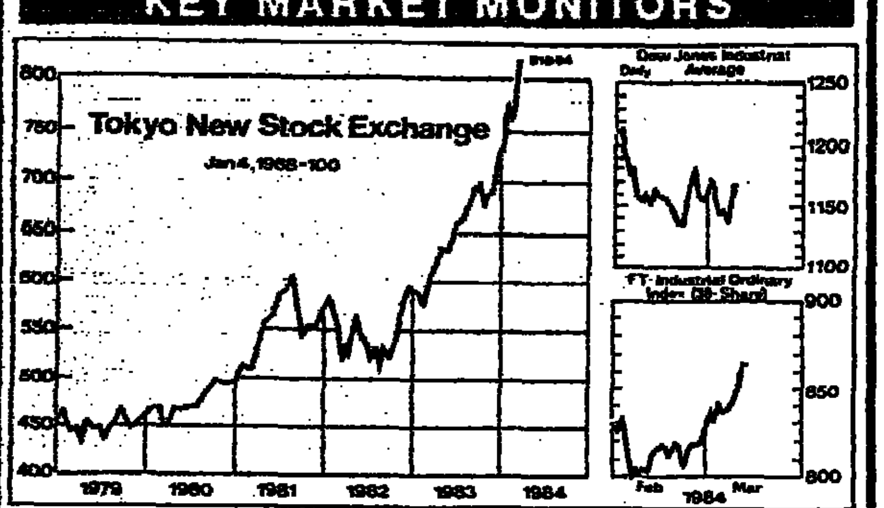
SECTION III – INTERNATIONAL MARKETS

FINANCIAL TIMES

Thursday March 15 1984

Minor metals take off on a price spiral, Page 48

KEY MARKET MONITORS



STOCK MARKET INDICES

	March 14	Previous	Year ago
NEW YORK			
DJ Industrials	1166.04	1164.78	1114.45
DJ Transport	513.27	511.21	500.16
DJ Utilities	126.25	126.25	126.98
S&P Composite	156.77	156.78	150.83
LONDON			
FT Ind Ord	864.6	865.0	671.3
FT-SE 100	1087.7	1082.5	
FT-A All-share	513.74	503.64	418.99
FT-A 500	556.0	541.66	453.84
FT Gold mines	703.1	693.4	559.7
FT-A Long gilt	10.04	10.01	10.58
TOKYO			
Nikkei-Dow	10324.0	10194.76	8089.03
Tokyo SE	818.94	806.80	596.08
AUSTRALIA			
All Ord.	721.6	719.0	513.4
Metals & Mins.	497.8	495.1	457.4
AUSTRIA			
Credit Aktien	55.11	55.19	52.6
BELGIUM			
Belgian SE	143.17	142.69	110.71
CANADA			
Toronto Composite	2410.5*	2400.5	2154.1
Montreal Industrials	431.15*	428.38	366.92
Combined	408.82*	406.65	358.32
DENMARK			
Copenhagen SE	190.51	188.9	120.28
FRANCE			
CAC Gen	160.4	160.5	110.1
Ind. Tendance	103.0	103.3	67.9
WEST GERMANY			
FAZ-Aktien	344.68	344.0	848.0
Commerzbank	1011.9	1008.7	282.08
HONG KONG			
Hang Seng	1099.26	1086.24	1032.37
ITALY			
Banca Comm.	217.53	217.24	204.03
NETHERLANDS			
ANP-CBS Gen	157.4	159.6	117.9
ANP-CBS Ind	130.5	131.7	101.4
NORWAY			
Oslo SE	250.37	250.41	146.28
SINGAPORE			
Straits Times	1001.17	1004.7	833.4
SOUTH AFRICA			
Golds	n/a	1039.6	802.3
Industrials	n/a	1050.0	835.5
SPAIN			
Madrid SE	116.57	116.94	108.74
SWEDEN			
J & P	1502.05	1490.45	1271.34
SWITZERLAND			
Swiss Bank Ind	n/a	362.30	303.9
WORLD	March 12	Prev	Year ago
Capital Int'l	183.1	181.80	163.90

GOLD (per ounce)

	March 14	Prev
London	$399.50	$397.75
Frankfurt	$399.75	$397.25
Zürich	$399.75	$397.75
Paris (fixing)	$401.14	$397.56
Luxembourg (fixing)	$400.55	$397.25
New York (March)	$396.20*	$398.50

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR March 13	U.S. DOLLAR Previous	STERLING March 13	STERLING Previous
$	–	–	1.467	1.469
DM	2.567	2.5715	3.7675	3.78
Yen	224	223.1	328.75	328
FFr	7.915	7.9225	11.6075	11.635
SwFr	2.1265	2.123	3.1225	3.12
Guilder	2.899	2.9045	4.255	4.27
Lira	1595.5	1597	2340	2345.5
BFr	52.48	52.81	77	77.3
C$	1.2745	1.26625	1.8675	1.86

INTEREST RATES

	March 14	Prev
Euro-currencies (3-month offered rate)		
£	8⅞	8⅞
SwFr	3⅝	3⅝
DM	5 11/16	5 11/16
FFr	16¾	16
FT London Interbank fixing (offered rate)		
3-month U.S.$	10⅝	10⅝
6-month U.S.$	10 11/16	10 11/16
U.S. Fed Funds	10	9 13/16
U.S. 3-month CDs	9.95	9.95
U.S. 3-month T-bills	9.46	9.37

U.S BONDS

Treasury		March 14 Price	March 14 Yield	Prev Price	Prev Yield
10⅝	1986	99 13/32	11.22	99 17/32	11.14
11⅞	1991	97 27/32	12.22	98 13/32	12.09
11.75	1993	96 25/32	12.30	97 7/32	12.25
12	2013	96 25/32	12.40	97 4/32	12.36

Corporate	March 14* Price	March 14* Yield	Prev Price	Prev Yield
AT & T				
10⅜ June 1990	91½	12.40	92	12.25
3⅞ July 1990	68½	10.90	68½	10.90
8⅜ May 2000	71⅞	12.95	72½	12.80
Xerox				
10⅞ March 1993	89⅝	12.60	90⅛	12.45
Diamond Shamrock				
10⅞ May 1993	87⅝	13	88⅝	12.70
Federated Dept Stores				
10⅞ May 2013	82⅜	12.90	82⅜	12.90
Abbot Lab				
11.80 Feb 2013	91⅝	12.90	91⅝	12.90
Alcoa				
12⅛ Dec 2012	92⅜	13.30	92⅜	13.30

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
March	67–11	67–19	67–03	67–20
U.S. Treasury Bills (IMM) $1m points of 100%				
March	90.60	90.61	90.57	90.63
Certificates of Deposit (IMM) $1m points of 100%				
March	89.94	89.97	89.92	89.99
LONDON				
Three-month Eurodollar $1m points of 100%				
June	89.25	89.29	89.23	89.33
20-year Notional Gilt £50,000 32nds of 100%				
March	110–00	110–12	110–00	110–10

COMMODITIES

(London)	March 14	Prev
Silver (spot fixing)	669.60p	667.30p
Copper (cash)	£1030.00	£1025.00
Coffee (March)	£2132.00	£2128.00
Oil (spot Arabian light)	$28.62	$28.65

WALL STREET

Prime rate pressures at the surface

FURTHER upward pressure on short-term funding rates, with the uncertain progress of the Reagan Administration's plan for bipartisan talks on the federal deficit, unsettled Wall Street yesterday, *writes Terry Byland in New York.*

The key federal funds rate moved up to 10 per cent despite another round of customer repurchase arrangements by the Federal Reserve. The market also braced itself for *increases in prime rates* by the banks, which need to recoup the increasing cost of their own short-term funding.

The stock market opened lower, continuing the weaker trend of the close of the previous session after the White House had said President Reagan was losing faith in the bipartisan budget talks. Stocks soon rallied, however, strengthening belief that the market has established a new base level.

The market traded cautiously in the latter half of the session, discouraged by increases in broker loan rates by U.S. Trust and Bankers Trust and by the lack of developments at the budget deficit discussions.

The picture at the end of the session was somewhat mixed with firmness in the market leaders putting the Dow Jones industrial average finally at 1,166.04, a net gain of 1,26. Turnover fell away and only 77.8m shares were traded.

In the credit markets, yields began to move higher as the federal funds rate advanced. Nervousness over prime rates was spelled out by Mr Roy Moor, the chief economist of First Chicago bank, who expects prime to rise by ½ a percentage point "during the next week" from the present 11 per cent rate, and to reach 11¾ per cent to 12 per cent in the fourth quarter of this year.

The prospects for agreement in Washington on some framework for curbing the growth in the federal deficit remains the market's chief preoccupation. The emergence of Senator Gary Hart as a contender for the Democratic presidential nomination has added a new uncertainty *to this debate.*

Turnover in the stock market was moderate but most of the major stocks began to turn down at midsession when the institutional investors backed away, *waiting for the outlook for interest rates* to clear.

There was a further round of buying of Walt Disney stock, pushing the price up $1⅞ at one stage, but the stock slipped to close at $57⅞ for a gain of $⅞ on the day.

Gulf Oil again topped the active list, rising $1¼ to $65⅝. Other speculative oil stocks traded actively – although at $38, for a gain of $½ Superior Oil seemed to be regarding the Mobil deal as an accomplished fact.

Mesa Petroleum, the oil company predator, eased $⅜ to $15⅝ as the market waited to see where Mr Boone Pickens, the chairman, will strike next.

Among steel industry issues Bethlehem Steel edged up $⅜ to $27½, with the preferred stock also firmer.

On the American Stock Exchange BAT Industries of the UK jumped $5/16 to $2 13/16 with more than 1m shares turned over. Gulf Canada, expected to be sold off when Standard Oil of California completes its purchase of U.S. Gulf, traded actively but was unchanged at $14½.

The bond market shook off the effects of the pressures at the short end and staged a recovery from early losses. The key 12 per cent long bond traded at 96 25/32, a fall of 4/32 to yield 12.40 per cent. Fed funds remained at 10 per cent despite $700m in customer repurchase arrangements by the Fed with funds at 9 13/16. The Fed's help took some of the pressure off the treasury bill market, however, where the discount on three-month bills was cut from 9.45 per cent to 9.40 per cent, a net 3 basis points up on the day.

The six-month bill discount remained five basis points up at 9.61 per cent.

LONDON

The budget beneficiaries are sought

CONFIDENCE in Tuesday's budget measures was demonstrated in London yesterday as turnover expanded dramatically. Top-quality stocks were the main targets as investors switched funds to companies likely to benefit, particularly from reductions in corporation tax.

The final movement of 0.4 down in the FT Industrial Ordinary index at 864.6 belied a remarkable equity performance. Leading stores and food retailers were extremely active and strong, although at the expense of capital-intensive groups.

Illustrating the broader market tone, the FT-Actuaries All-Share index rose 0.5 per cent to a record 513.74 and the FT-SE 100-share index gained 5.2 to 1,087.7.

Government securities closed with small falls, but index-linked stocks came under revived pressure.

Chief price changes, Page 42; Details, Page 43; Share information service, Pages 44-45.

HONG KONG

EARLY caution in Hong Kong ahead of the Legislative Council's debate on the colony's future gave way to institutional demand late in the regular half-day midweek session.

The rally was spurred by active buying of Hongkong Bank, which added 15 cents to HK$9.20, with disappointment over its smaller than expected 1983 profit growth – announced late on Tuesday – more than offset by its one-for-four bonus issue.

SINGAPORE

THE CONTINUED absence of many small investors from the Singapore market contributed to a further downward drift which left the Straits Times industrial index 3.21 off at 1,001.49.

Industrials and banks were mixed to lower while discouragement over prospects for the property market kept that sector depressed.

AUSTRALIA

ENCOURAGEMENT drawn in Sydney from the performance of the London and Wall Street markets was restrained by higher domestic interest rates and a sharply higher Australian dollar.

Gold stocks were mixed, however, with Poseidon up 15 cents to A$4.75 and Peko down 20 cents to A$5.10.

SOUTH AFRICA

FIRM gold shares, in line with the higher bullion price, underpinned an advance by most sectors in Johannesburg. Among the major producers, Vaal Reefs added R3 to R169.

Elsewhere, Anglo-American advanced 45 cents to R24.30, and Impala Platinum 20 cents to R19.90 but De Beers eased 5 cents to R10.70 in continued reaction to Tuesday's results.

EUROPE

Sustenance slow to be established

SUSTENANCE from the overnight strength in London and New York was offset on the European bourses yesterday by scepticism that the foundations of the advances in those two centres had enough of a bearing on Continental economies to warrant any immediate mark-ups in domestic stock values.

Caution dominated: the state of the U.S. deficit and the consequent course of interest rates remain far from resolved, while in London gains were largely underpinned by a budget which – in cutting stamp duty – made British share purchases a more attractive proposition than they had been.

An additional factor making for restraint was was a continuing flow of corporate results in which the only clear trend so far established is that, no matter how sparkling the figures, advance discounting has been generous.

This has been particularly true of **Amsterdam**, where signs of aggressive discounting were reflected in a Fl 12 downward reaction in VNU at Fl 145.50 on its *sharply higher profits. The market as a* whole was on the weak side and trading thin, but the publisher was one of the worst hit.

Bonds were steady to firmer, assisted by an expected liquidity advance from the central bank – Fl 3.5bn to run until March 25 and thus cover the payment period for the new 8½ per cent government bond, itself some 20 basis points up on the day.

A marked absence either of buying or selling orders left **Frankfurt** stagnant as the stronger D-Mark kept foreign money away and a sharpening of the 35-hour week dispute made for further caution.

Steel fared poorly as IG Metall union leaders set a March 29 deadline for progress on the working week issue. Krupp shed DM 2 to DM 81 and Thyssen DM 1 to DM 83.80.

Engineering issues retained their new-found favour, however. Linde added DM 6 to DM 376 in advance of its steady profits and dividend, while an industry association forecast of higher *1984 output helped MAN up DM 4 at DM* 145.50 and KHD DM 3 to DM 238.

The currency shifts did provide power to the domestic bond market, though, where public authority issues gained up *to 45 basis points and the Bundesbank* was able to offload DM 67.5m in paper.

Gloomy prognoses for French inflation unsettled **Paris**, as did a dip in car registrations – partially reflected in a *FFr 5 setback in Peugeot at FFr 220. In* electricals CIT-Alcatel came under pressure, sliding FFr 88 to FFr 1,178.

A partial Swiss holiday left **Zurich** quiet but firm, with strength for the sec*ond day centring on the banks, their re*sults season now out of the way. Bank Leu, SwFr 60 ahead on Tuesday, improved SwFr 50 more to SwFr 4,200 while UBS added SwFr 8 to SwFr 350.

A dividend boost by Jacobs Suchard brought a SwFr 50 rise at SwFr 6,500. Nestle remained in favour, up SwFr 25 to SwFr 4,805.

Domestic bond prices recovered about ¼ point.

Milan attracted overseas demand for Olivetti and a L15 firmer outcome at L4,395 ahead of its profit figures. Also sought on a quiet but steady day was Fiat, L22 ahead at L4,280.

Bonds were narrowly mixed, with weakness at the long end for Treasury issues.

Stockholm pulled out of a week-long downward drift as Volvo led the market SKr 14 up at SKr 459. **Oslo** rewarded profits increases by Bergens Bank and Den norske Creditbank with respective rises of NKr 14 at NKr 157.50 and NKr 17 at NKr 176.

The focus of otherwise muted **Brussels** demand was Groupe Bruxelles Lambert, which gained BFr 40 to BFr 2,500. Wagons Lits, forecasting a slightly lower outcome for last year, eased BFr 10 to BFr 1,980.

Vienna was unruffled by the half-point discount rate increase, designed as it was to counteract a capital outflow. Creditanstalt firmed Sch 1 to Sch 217.

A **Madrid** decline continued, but isolated areas of strength were found.

TOKYO

Advance to record led from abroad

GOOD performances on major stock exchanges abroad, especially in New York *and London, stirred buying interest in* Tokyo yesterday, boosting the Nikkei-Dow market average to an all-time high, with prices climbing almost across the board, *writes Shigeo Nishiwaki of Jiji Press.*

Interest centred on medium- and low-priced chemical, textile and food issues and on blue chips in the precision instrument and electrical sectors. Financial stocks that had advanced sharply since the start of this week tapered off, but remained basically firm.

The Nikkei-Dow soared 129.24 to 10,324, exceeding the previous high of 10,235.73 set on January 30. The gain was the largest so far this year, surpassing the 108.22 rise on Tuesday. Volume increased further to 550.99m shares from the 429.59m that session.

Medium-priced chemical and synthetic fibre issues were in good demand, with Showa Denko gaining Y21 to Y213 and Asahi Chemical Y32 to Y454. Aided by higher market prices for products, Toagosai Chemical firmed Y9 to Y381, *and Mitsui Petrochemical Y17 to Y365.*

Buying interest revived in leading blue chips, though in thin trading, with Hitachi rising Y11 to Y880 and Fujitsu Y20 to Y1,420. Among high-priced blue chips, TDK advanced Y320 to Y6,880 and Kyocera Y120 to Y10,120.

Financial stocks held steady after a consistent climb since the start of this week. High-ranking city bank issues eased in the morning session, but rebounded in the afternoon.

Finance company shares also firmed on expectations of lower interest rates. Hitachi Credit put on Y130 to Y1,970, Orient Leasing Y120 to Y4,120, and Orient Finance Y120 to Y1,200.

The bond market strengthened in response to the yen's appreciation against the U.S. dollar. Rumours circulated that the coupon rate on 10-year government bonds scheduled for issue in April might be lowered by 20 to 30 basis points from the present 7.3 per cent.

Against this backdrop, the price of the 7.3 per cent bond floated last January rose *sharply in the secondary market to* 99.90 from Tuesday's 99.60. The yield on the benchmark 7.5 per cent bond due in January 1993 also slipped to 7.255 per cent from 7.275 per cent.

CANADA

AN EARLY advance was maintained in **Toronto**, with strength among base metals and minerals more than offsetting weakness among gold issues.

In **Montreal**, small advances were posted by industrials, utilities and banks but some weakness was evident among papers.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20½	15½	AAR	.44	2.3	23	134	19⅞	19¼	19¼	
52⅞	30½	ACF	1.40	3.0	558	55	47½	47	47	+ ⅛
22	16¼	AMCA	n	1	6.1	2	16½	16½	16½	+ ¼
18⅞	13⅛	AMF	.50	3.7		114	14	13⅞	13⅞	− ⅛
41¼	23⅞	AMR Cp			7	5631	33½	32⅞	33⅛	+ ⅝
20⅜	16⅞	AMR	pf2.18	11		67	19	18⅞	19	+ ⅛
41½	27⅞	AMR	pf2.13	6.0		417	35⅞	34½	35½	+ ⅛
26¼	23⅞	ANR	pf2.67	11		1	24⅛	24⅛	24⅛	− ⅛
23⅞	15½	ANR	pf2.12	10		2	21⅛	21⅛	21⅛	
16⅞	5⅛	APL			3	22	10½	10⅜	10⅜	− ⅛
55¼	40⅞	ARA	2.05	4.6	10	81	45	44⅞	44⅞	− ⅞
77¼	50¼	ASA	3a	4.6		608	66⅜	65⅜	65¼	− ⅝
33⅛	14⅝	AVX	s .32	1.5	22	544	22⅛	21⅝	21⅞	− ½
53⅞	39⅞	AbtLab	1.20	2.9	15	1080	42	41½	42	+ ⅜
30¼	23⅞	AccoW	n .60	2.3	18	72	26⅛	25⅞	26¼	+ ⅛
27½	17⅞	AcmeC	.40	1.8		84	22	21⅞	22	+ ⅛
13	8⅜	AcmeE	.32b	3.1	65	15	10⅛	10⅛	10⅛	
24⅞	12⅛	AdmDg	.04	.3	11	668	15⅛	14⅞	14⅞	− ⅛
18¼	15⅞	AdaEx	2.11e	14		106	15⅝	15⅝	15⅝	− ⅛
19¼	7⅞	AdmMl	.28	1.6	8	37	17⅞	17⅝	17⅝	− ⅛
22	12⅞	AdvSys			15	245	17⅛	16⅞	17	− ⅛
18⅞	8⅞	Advest	.12	1.1	10	54	11⅞	11⅛	11⅛	− ⅛
37½	15½	AMD	s		36	4150	30½	29⅝	29⅝	− ⅛
24⅝	12½	Aerflx	s		14	44	14⅝	14½	14½	− ⅛
43½	33¼	AetnLf	2.64	7.6	10	680	34⅞	34⅛	34¼	− ⅛
59⅞	54⅞	AetL	pf5.28e	9.5		437	56	55⅞	55⅞	
49½	20	Ahmans	1.20	5.1	6	1001	23½	22⅞	23½	+ ⅜
7⅞	3	Aileen				164	4⅛	3⅞	4⅛	+ ⅛
51	35½	AirPrd	1	2.5	11	2529	41⅛	40	40⅛	−1⅛
30⅞	19	AirbFrt	.60	2.6	14	6	22⅞	22⅞	22⅞	+ ⅛
3⅛	1⅞	AlMoa	s		28	85	3⅛	3	3⅛	+ ⅛
33½	29⅛	AlaP	pfA3.92	13		14	29⅞	29½	29⅞	
7⅞	6⅞	AlaP	dpf .87	13		16	6⅞	6⅞	6⅞	− ⅛
74½	65⅞	AlaP	pf 9	13		z50	67	67	67	− ½
99	92¼	AlaP	pf 11	12		z250	94	94	94	−1
81½	68⅞	AlaP	pf9.44	14		z360	69	69	69	−1

Continued on Page 41

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

B–B–B · C–C–C · D–D–D · E–E–E · F–F–F · G–G–G · H–H–H · I–I–I · J–J–J · K–K–K · L–L–L · M–M–M · N–N–N · O–O–O · P–Q · R–R–R · S–S–S

Continued on Page 42

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 40

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										

Q–Q–Q · R–R–R · S–S–S · T–T–T · U–U–U · V–V–V · W–W–W

X–Y–Z

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
52¼	38⅞	Xerox	3	7.4	9	1000	40⅝	40¼	40½	+ ¼
53⅜	47½	Xerox	pf5.45	11		103	47¾	47½	47¾	– ⅛
37	21⅛	XTRA		2.5	13	30	25⅞	25⅝	25⅞	+ ¼
34	23	ZaleCp	1.26	4.6	11	30	27½	27⅜	27½	
21⅞	14⅛	Zapata	.84	3.9	11	2251	21⅝	20¾	21⅜	+ ⅝
52¾	31¼	Zayre	s.30	.8	10	399	36⅝	35½	35¾	
38½	15½	ZenithR			13	677	28¼	27⅞	28¼	+ ⅜
27⅞	19¼	Zero	s.36	1.8	18	31	20½	20⅜	20½	+ ⅛
37⅞	22½	Zurnin	1.32	5.3	11	143	25½	25	25	– ½

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

CANADA

(Closing Prices) Stock	Mar 14	Varn.
AMCA Int.	21	+ ¼
Abitibi	25¾	-
Agnico Eagle	19⅛	- ½
Alberta Energy	20¼	+ ½
Alcan Alumn	44½	+ 1⅞
Algoma Steel	25⅞	- ⅜
Bk Montreal	26⅛	- ⅛
Bk Nova Scotia	12¾	-
Bell Canada	30¼	-
Bombardier A	17⅛	- ¼
Bow Valley	24¾	+ ½
B.P Canada Res	-	-
Brascan A	38⅝	+ ½
Brinco	2.45	- 0.05
B. C. Forest	11⅝	- ¼
CIL Inc	28⅝	- ⅜
Cadillac Fairv.	12	+ ⅛
Cambell Red Lk	-	
Can Cement Prf	14¾	- ⅛
Can NW Energy	31½	-
Can Packers	26¾	+ ⅛
Can Trustco	46	-
Can Imp Bank	28⅝	-
Canadian Pacific	43⅞	+ ⅜
Can. P. Ent.	21½	-
Can Tire A	12⅛	+ ⅛
Carling O'Kfe	21	+ ⅛
Chieftain	18	-
Cominco	52½	+ 2
Cons Bathst A	27	-
Copper Lake	2.8	- 0.15
Costain	10¼	-
Denison Mines A	-	-
Dofasco	19⅞	+ ⅛
Dome Mines	20⅛	- ¼
Dome Petroleum	4.1	- 0.05
Dominion Strs.	19½	+ ¼
Domtar	32⅞	-
Falconbridge	65¾	- ½
Genstar	25	- ⅛
Giant Y'knife	26⅜	- ⅜
Gt West Life	300	-
Gulf Canada	18½	-
Hawk Sid Can	17	- ⅜
Hudson's Bay	22	-
Husky Oil	10⅞	- ⅛
Imasco	35	+ ¼
Imp Oil A	38	+ ⅛
Inco	18	+ ¼
Indal	11	- ⅜
Interpr Pipe	29	-
LAC Minerals	35¾	+ ½
Loblaw	-	-
Macmil Bloedel	30½	- ⅛
Marks & Spencer	13½	-
Massey-Ferg	4.6	- 0.05
McIntyre Mines	40½	+ ½
Mitel Corp	13⅞	-
Molson A	19	-
Moore Corp	47½	-
Nat. Sea Prods A	8	-
Noranda Mines	23⅜	+ ⅜
Norcen Energy	16⅝	- ⅜
Numac Oil	13¾	- ⅛
Nova Alberta	7	+ ⅛
Nthn Telecom	45¼	+ ¼
Oakwood Pet	7¾	- ⅜
Pancanadian Pet	25	+ ⅝
Patino	9⅝	-
Placer Devt	23½	+ ¼
Power Corp Can	19	+ ¼
Quebec Sturgeon	9⅛	- ⅛
Ranger Oil	11	- ⅛
Reed Stenhse A	12	+ ⅛
Rio Algom	18	-
Royal Bank	31⅛	-
Royal Trustco A	26½	+ ¼
Sceptre Res	5.0	- 0.13
Seagram	43¾	+ ½
Shell Can Oil	25⅛	- ¼
Simpson Sears A	8¾	-
Steico	26¾	- ⅛
Teck B	10½	+ ⅜
Texaco (Canada)	38⅛	- ⅛
Thomson News A	39⅞	+ ⅝
Toronto Dom Bank	16¼	+ ¼
Transalta A	22	+ ⅜
Trans. Can. Pipe	16⅛	-
Walker Hiram	25⅛	+ ⅛
Westcoast Trans	14⅝	-
Weston (Geo)	66½	- ½

AUSTRIA

Mar. 14	Price Sch%	+ or —
Creditanstalt	217	+1
Goesser	326	+2
Interunfall	407	+2
Laenderbank	209	—2
Perlmooser	329	—7
Steyr-Daimler	153	......
Veitscher Mag	210	......

BELGIUM/LUXEMBOURG

Mar. 14	Price Frs.	+ or —
ARBED	1,460	—20
Banq Int A Lux	5,200	......
Bekaert B	3,280	—60
Ciment CBR	2,095	+30
Cockerill	231	......
Delhaize	4,850	......
EBES	2,375	—25
Electrobel	6,010	+20
Fabrique Nat	2,215	......
GB Inno BM	3,260	+5
GBL (Brux)	2,500	+40
Gevaert	3,010	—40
Hoboken	5,050	—90
Intercom	1,875	—20
Kredietbank	6,750	......
Pan Hldgs.	9,500	......
Petrofina	7,200	+40
Royale Belge	8,000	+150
Soc. Gen. Banq	3,220	+20
Soc. Gen. Belge	1,720	—20
Sofina	5,710	—10
Solvay	3,735	—25
Tractionel	3,150	—20
UCB	4,720	+20
Vieille Mont	3,960	—10

DENMARK

Mar. 14	Price Knr %	+ or —
Aarhus Olie	351	......
Andelsbanken	258	+10
Baltic Skand	580	......
CopHandelsbank	246	......
D. Sukkerfab	645	+15
Danske Bank	283	+7
East Asiatic	189	+7
Forenede Brygg.	860	+10
Forenede Damp.	194	+9
GNT Hldg.	515	+5
I.S.S.B.	650	......
Jyske Bank	590	......
Novo Ind	2,410	—55
Privatbanken	275	+6
Provinsbanken	313	+3
Smidth (F)	290	+46
Sophus Berend.	1,145	......
Superfos	523	+3

FRANCE

Mar. 14	Price Frs.	+ or —
Emprunt 4½% 1975	1,905	—30
Emprunt 7% 1973	9,971	+75
CNE 3%	3,401	—39
Air Liquide	611	—2
BIC	587	+2
Bouygues	661	—3
BSN Gervais	2,401	—14
CIT-Alcatel	1,178	—82
Carrefour	1,570	+255
Club Mediter'n	816	—3
CFAO	560	+3
Cie Bancaire	453	—3.5
Cofimeg	216.5	+0.5
Creusot Loire	44.3	—0.2
Darty	854	+30
Dumez S.A.	710	—11
Eaux (Cie Gen)	521	—11
Elf-Aquitaine	216.5	+0.5
Gen. Occidentale	575	—2
Imetal	76	—0.5
Lafarge Coppee	329.9	+1.7
L'Oreal	2,120	+10
Legrand	1,968	—37
Maisons Phenix	271	+0.5
Matra S.A.	1,480	—35
Michelin B	880	+1
Midi (Cie)	1,422	+15
Moet-Hennessy	1,381	—19
Moulinex	96.4	+2
Nord Est	48.8	......
Pernod Ricard	668	+6
Perrier	534	—3
Petroles Fra.	216.5	—5.5
Peugeot S.A.	220	—6
Poclain	60.5	—0.5
Printemps Au	137.1	—3.1
Radiotech	325	+5
Redoute	1,084	......
Roussel-Uclaf	780	—20
Schneider S.A.	118	—1.9
Sefimeg	246.5	+1.3
Skis Rossignol	1,260	—45
Telemech Elect.	1,635	+5
Thompson (CSF)	307.9	—4.1
Valeo	280	—1.5

GERMANY

Mar. 14	Price Dm.	+ or —
AEG-Telef	95.5	—3.3
Allianz Vers	756	—8
BASF	161	—0.3
Bayer	163.9	+0.4
Bayer-Hypo	271	......
Bayer-Verein	343	+1
BHF-Bank	283	+3.5
BMW	398	—2.5
Brown Boveri	216.5	—2
Commerzbank	176.5	+0.5
Cont'l. Gummi	131.5	—0.4
Daimler-Benz	555	—3
Degussa	373	+2
Demag	146	......
D'sche Babcock	161	+3
Deutsche Bank	374.5	—0.2
Dresdner Bank	176	—0.5
GHH	146	+2
Hochtief	499.5	—0.5
Hoechst	174.9	+1.4
Hoesch Werke	116.8	+0.5
Holzmann (P)	439	......
Horten	197	—1
Kali und Salz	196	—2
Karstadt	252	+1
Kaufhof	239	......
KHD	238	+3
Kloeckner	64.8	—0.7
Krupp	81	—2
Linde	376	+6
Lufthansa	164	......
MAN	145.5	+4
Mannesmann	139	—0.5
Mercedes Hld.	500	+2
Metallgesell	238.5	—1
Muench Rueck	1,093	—27
Preussag	268	+3.5
Rhein West Elect	166	+0.5
Rosenthal	260	—3
Schering	337	—1
Siemens	396.5	+2.5
Thyssen	83.8	—1
Varta	179.6	+2.6
Veba	172.5	—0.2
V.E.W	121	+0.5
Verein-West	305	—30
Volkswagen	206.8	......

ITALY

Mar. 14	Price Lire	+ or —
Banca Com'le	34,995	—205
Bastogi IRBS	143.2	+0.2
Centrale	1,710	......
Credito Varesino	5,399	+199
Fiat	4,280	+22
Finsider	41	......
Generali Assicur	37,020	+210
Invest	3,250	—30
Italcementi	47,890	+690
Montedison	218.0	+1.8
Olivetti	4,395	+15
Pirelli Co	2,985	+16
Pirelli Spa	1,545	—11
Snia BPD	1,569	+9
Toro Assic.	13,080	—30
do. Pref.	9,999	......

NETHERLANDS

Mar. 14	Price Fls	+ or —
ACF Holding	185	—2
AEGON	127	—1.5
Ahold	208.5	—1.5
AKZO	98	—2
ABN	380	—5
AMEV	153.5	—2.8
AMRO	69.4	—1.6
Bredero Cert.	197	—1
Bos Kalis Westm.	49	......
Buehrmann-Tet.	68.6	—0.1
Calland Hldgs	36.5	—0.5
Credit Lyon'is Bk	52.5	—0.8
Elsevier-NDU	530	—5
Gist. Brocades	145	—2.5
Heineken	135.7	—2.3
Hoogovens	47.5	—1.4
Hunter Douglas	24.4	+0.6
Int Mueller	35	+0.5
KLM	178	—3.8
Naarden	40.7	—0.3
Nat Ned Cert.	218.5	—2.5
Ned. Credit Bank	39.5	......
Ned Mid Bank	185	—2
Nedlloyd	110.5	+1
Oce Grinten.	238.5	—1.5
Ommeren (Van.)	29	......
Pakhoed	65.1	—0.9
Philips	46.8	—1.2
Rijn-Schelde	4	......
Robeco	326	—1
Rodamco	132.4	+0.1
Rolinco	313	+0.5
Rorento	202.3	......
Royal Dutch	144.5	—3.3
Unilever	246.5	—2.2
VMF Stork	95.5	—1.5
VNU	145.5	—12
West Utr Bank	100	—2.2

NORWAY

Mar. 14	Price Kroner	+ or —
Bergens Bank	157.5	+14
Borregaard	288	......
Christiania Bk.	175	+18
Den Norsk Credit	176	+17
Elkem	168	......
Norsk Data	264	......
Norsk Hydro	588	—3.5
Storebrand	229	+1.6

SPAIN

Mar. 14	Price Pta%	+ or —
Bco Bilbao	286	......
Bco Central	325	—1
Bco Exterior	202	......
Bco Hispano	235	—2
Bco Santander	292	—3
Bco Vizcaya	378	......
Dragados	142	—2
Hidrola	53.2	—0.3
Iberduero	54.5	+1.5
Petroleos	110.2	+1
Telefonica	79	+0.3

SWEDEN

Mar. 14	Price Kronor	+ or —
AGA	372	—2
Alfa-Laval	280	+5
ASEA (Free)	385	+10
Astra (Free)	558	—2
Atlas Copco	126	—1
Boliden	419	+5
Cardo (Free)	500	—5
Cellulosa	163	+5
Electrolux B	275	+6
Ericsson	346	—3
Esselte	360	+11
Mo Och Domsjo	433	+13
Pharmacia	286	+8
Saab-Scania	369	+9
Sandvik	350	+5
Skandia	407	+7
Skan Enskilda	360	......
SKF	189	+3
St. Kopparbergs	730	+8
Sven Handelsbn.	222	+2
Swedish Match	268	—4
Volvo B (Free)	459	+14

SWITZERLAND

Mar. 14	Price Frs.	+ or —
Alusuisse	836	+5
Bank Leu	4,200	+50
Brown Boveri	1,445	+15
Ciba Geigy	2,200	—10
do. (Part Certs)	1,710	+15
Credit Suisse	2,295	—5
Elektrowatt	2,695	......
Fischer (Geo.)	670	+15
Genevoise	3,825	......
Hoff-Roche PtCts	108,250	+125
Hoff-Roche 1/10	10,000	+25
Jacobs Suchard	6,500	+50
Jelmoli	1,780	—20
Landis & Gyr	1,300	......
Nestle	4,805	+25
Oer-Buehrle	1,320	+45
Pirelli	251	+1
Sandoz (Br)	6,900	......
Sandoz (PtCts)	990	......
Schindler (PtCts)	550	+5
Swissair	1,035	+20
Swiss Bank	343	+1
Swiss Reinsce	7,750	—50
Swiss Volksbk	1,455	......
Union Bank	350	+8
Winterthur	2,950	......
Zurich Ins.	17,725	—75

AUSTRALIA

Mar. 14	Price Aust $	+ or —
ANZ Group	5.46	......
Acrow Aust.	1.6	......
Alliance Oil D.	0.8	......
Ampol Pet	1.75	......
Aust Cons Ind	1.78	......
Aust. Guarant	2.65	......
Aust. Nat. Inds.	2.4	+0.05
Aust. Paper	1.98	+0.02
Bell Group	6.5	—0.10
Bond Corp Hldgs	1.5	......
Boral	3.32	—0.02
B'ville Copper	2.52	+0.02
Brambles Inds	2.72	+0.02
Bridge Oil	3.15	+0.07
BHP	12.98xr	—0.06
CRA	5.4	+0.08
CSR	3.68	+0.08
Carlton Utd	3.84	+0.01
Castlemaine Tys.	4.12	—0.03
Coles (G.J.)	3.65	+0.05
Comalco "A"	2.9	......
Consolidated Pet	1.13	+0.05
Costain Aust.	1.2	......
Dunlop Aust.	1.54	+0.01
E.Z. Inds.	5.04	+0.04
Elders IXL	4.12	+0.02
Energy Res.	1.52	......
Gen Prop Trust	1.65	—0.04
Hardie (J.)	3.3	......
Hartogen Energy	3.0	+0.18
Herald W'y Times	2.95	—0.05
ICI Aust	1.92	—0.03
Jimb'lana (50cFP)	0.35	—0.05
Kia Ora Gold	0.19	......
Lend Lease	4.52	+0.02
MIM	3.25	—0.02
Mayne Nickless	2.3	—0.05
Meekatharra	0.8	......
Myer Emp	1.86	—0.02
Nat. Com. Bk.	3.52	......
News	11.1	+0.05
Nicholas Kiwi	2.95	+0.05
North Bkn Hill	2.62	+0.04
Oakbridge	0.9	+0.02
Otter Expl	0.68	......
Pancont'l	1.14	......
Pioneer Conc	1.59	+0.05
Reckitt & Coln	2.65	+0.05
Repco	1.17	+0.02
Santos	6.96	+0.04
Smith (H.)	3.7	+0.02
Southland Min'g.	0.3	......
Spargos Expl	0.43	......
Thos. Natwide	1.85	—0.02
Tooth	5.12	+0.11
UMAL Cons.	3.5	+0.05
Vamgas	3.22	......
Western Mining	3.95	......
Westpac	3.6	......
Woodside Petrol.	0.93	+0.01
Woolworths	2.37	+0.04
Wormald Intl.	3.15	+0.03

HONG KONG

Mar. 14	Price H.K.$	+ or —
Bank East Asia	28.5	+0.1
Cheung Kong	9.55	+0.2
China Light	12.6	......
Hang Lung Devel	2.22	+0.07
Hang Seng Bank	44.5	—0.5
HK Electric	6.9	+0.06
HK Kowloon Wh.	4.4	+0.05
HK Land	3.9	+0.05
HK Shanghai Bk.	9.2	+0.15
HK Telephone	45.75	+0.25
Hutchison Wpa	16.9	+0.3
Jardine Math.	13	+0.1
New World Dev.	3.6	......
Orient O'seas	8.65	......
O'seas Trust Bk.	3.5	......
SHK Props	7.1	......
Swire Pac A	17.9	+0.3
Wheel'k Mard A.	3.82	+0.05
Wheel'k M'time	2.00	......
World Int. Hldgs	2.47	+0.07

JAPAN

Mar. 14	Price Yen	+ or —
Ajinomoto	1,060	+30
Alps Electric	2,770	+200
Amada	1,320	+10
Asahi Chem	454	+32
Asahi Glass	718	+23
Bridgestone	580	+18
Canon	1,350	+50
Casio Comp.	1,680	+100
Chugai Pharm	1,080	+10
Citizen	661	—8
Daiei	680	......
Dai Nippon Ptg	1,090	+30
Daiwa House	500	—4
Ebara	325	......
Eisai	1,270	......
Fanuc	12,430	+80
Fuji Bank	970	—1
Fuji Film	2,080	+10
Fujisawa	770	—5
Fujitsu	1,420	+20
Green Cross	1,710	......
Hasegawa	388	+7
Heiwa Real Est.	610	—2
Hitachi	880	+11
Hitachi Credit	1,970	+130
Honda	1,050	+51
House Food	788	—7
Hoya	2,000	+110
Itoh (C)	299	+12
Ito-Yokado	1,900	—10
Iwatsu	2,400	+70
JACCS	410	+13
JAL	3,000	+90
Jusco	835	+10
Kajima	288	—2
Kao Soap	720	+5
Kashiyama	608	+11
Kirin	559	+7
Kokuyo	1,180	+50
Komatsu	477	+6

JAPAN (continued)

Mar. 14	Price Yen	+ or —
Konishiroku	649	+1
Kubota	310	......
Kumagai	440	+14
Kyoto Ceramic	10,120	+120
Maeda Const.	495	—5
Makino Milling	1,480	+20
Makita	1,060	......
Marubeni	270	+1
Marudai	640	—6
Marui	1,300	+20
MEI	1,820	......
M'ta Elec Works	685	+6
M'bishi Bank	975	+11
M'bishi Corp.	520	+4
M'bishi Elec	401	+3
M'bishi Estate	457	—3
MHI	237	......
Mitsui Co.	336	......
Mitsui Estate	731	—4
Mitsukoshi	354	+3
NGK Insulators	727	+2
Nihon Cement	207	+1
Nippon Denso	1,340	+80
Nippon Elect.	1,400	+10
Nippon Express	286	—4
Nippon Gakki	644	+5
Nippon Kokan	141	+2
Nippon Oil	1,060	+20
Nippon Seiko	596	+2
Nippon Shimpan	809	+32
Nippon Steel	170	+4
Nippon Suisan	318	+8
NTV	12,010	+210
Nippon Yusen	240	+3
Nissan Motor	730	+11
Nisshin Flour	470	+5
Nisshin Steel	186	+4
Nomura	785	+5
Olympus	970	+20
Omron Tateisi	2,190	+40
Orient Leasing	4,180	+120
Pioneer	3,120	+20
Renown	648	+6
Ricoh	1,060	......
Sankyo	701	+1
Sanyo Elect.	530	+5
Sapporo	408	+3
Sekisui Prefab	550	+5
Seven-Eleven	8,000	+210
Sharp	1,280	+40
Shimadzu	534	+11
Shionogi	701	—6
Shiseido	1,030	......
Sony	3,700	+30
Stanley	750	+32
S'tomo Elect	937	+52
S'tomo Marine	338	+8
S'tomo Metal	157	+2
Taihei Dengyo	498	—2
Taisei Corp	216	+2
Taisho Pharm	966	—4
Takeda	701	......
TDK	6,880	+320
Teijin	383	+6
Teikoku Oil	675	—7
Tokyo Marine	560	......
TBS	745	+6
Tokyo Elect Pwr.	1,350	+30
Tokyo Gas	172	+2
Tokyo Sanyo	728	+26
Tokyo Style	849	+10
Tokyu Corp	335	—3
Toppan Print	752	+17
Toray	416	+6
Toshiba Elect	394	+3
TOTO	875	—4
Toyo Seikan	784	+29
Toyota Motor	1,300	+20
Victor	3,340	+100
Wacoal	754	+4
Yamaha	516	—8
Yamanouchi	1,520	—10
Yamazaki	769	+8
Yasuda Fire	262	+5
Yokogawa Bdge.	412	+2

SINGAPORE

Mar. 14	Price $	+ or —
Boustead Hldgs.	2.76	—0.03
Cold Storage	4.58	......
DBS	10	......
Fraser & Neave	6.25	......
Genting	5.45	—0.05
Haw Par. Bros	2.6	—0.04
Inchcape Bhd.	2.86	+0.24
Keppel Shipyard	3.38	......
Malay Banking	10	+0.05
Malay Brew	6.85	......
Multi Purpose	2.02	—0.04
OCBC	10.9	—0.1
OUB	4.36	—0.12
Sime Darby	2.59	—0.03
Straits St'mship.	1.57	—0.02
Straits Trdg.	5.75	+0.05
UOB	6.45	+0.05

SOUTH AFRICA

Mar. 14	Price Rand	+ or —
Abercom	2.8	—0.2
AE & CI	8.55	......
Anglo Am Coal	30	......
Anglo Am Corp	24.3	+0.45
Anglo Am Gold	158.25	+0.75
Barclays Bank	23	......
Barlow Rand	14.65	+0.1
Buffels	83	+1
CNA Gallo	2.7	......
Currie Finance	5.2	+0.05
De Beers	10.70	—0.05
Driefontein	48.5	+0.75
FS Geduld	55.5	+0.75
Gold Fields S.A.	33.3	+0.3
Highveld Steel	6.1	......
Nedbank	16.4	+0.1
OK Bazaars	19	......
Protea Hldgs	3.45	+0.05
Rembrandt	28	+8
Rennies	15.25	......
Rust. Plat	16.6	......
Sage Hldgs	7.0	......
SA Brews	7.5	+0.05
Smith (C.G)	24.75	......
Tongaat Hulett	11.8	—0.1
Unisec	5.6	......

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. $ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

AMERICAN STOCK EXCHANGE CLOSING PRICES

12 Month High Low | Stock | Div. Yld. | P/E | Sls 100s | High | Low | Close Quote | Ch'ge Prev. Close

Continued from Page 41

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OVER-THE-COUNTER Nasdaq National Market

Nasdaq National Market closing prices

Stock | Sales (Hlds) | High | Low | Last | Chng

[illegible]

Continued on Page 50

LONDON

Chief price changes
(in pence unless otherwise indicated)

RISES

Alexanders Dis.	575	+25
Allied-Lyons	171	+8
Assoc. Dairies	178	+10
Bass	358	+15
Bestwood	210	+22
Grand Met.	324	+8
Heath (C. E.)	340	+12
Hewitt (J.)	168	+14
Ladbroke	253	+10
Lambert H.	218	+18
Marks & S.	263	+10
Mercantile H.	422	+22
Sainsbury (J.)	528	+33
Willis Faber	722	+35
Atlantic Rec.	510	+25
Petrocon	148	+11
Ultramar	722	+22

FALLS

Exch. 12pc 99-02	£112¼	—¾
Tr. 2pc IL 1990	£87½	—⅝
Barclays Bank	535	—40
Barratt Devs.	142	—10
British Aero	216	—10
Ferranti	698	—23
Glaxo	850	—20
Grattan	78	—6
NatWest Bank	670	—45
Pearl Assce.	730	—25
P. & O. Defd.	305	—5
TI	250	—10
Trafalgar House	231	—7

Indices

NEW YORK–DOW JONES

	Mar 14	Mar 13	Mar 12	Mar 9	Mar 8	Mar 7	1983-84 High	1983-84 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	1166.84	1164.78	1155.36	1138.76	1147.89	1143.63	1286.64 (9/1)	1134.21 (22/2)	1287.2 (29/11/83)	41.22 (2/7/32)
Transport	513.27	511.21	518.08	498.46	502.57	498.18	612.63 (9/1)	494.82 (22/2)	612.63 (9/1/84)	12.23 (8/7/32)
Utilities	126.25	126.25	126.35	125.82	126.93	126.88	134.83 (6/1)	123.7 (22/2)	163.32 (20/4/69)	10.65 (28/4/42)
Trading vol 000's	7725	2858	-	-	-	9096	-	-	-	-

	Mar 9	Mar 2	Feb 24	(Year Ago Approx)
Ind div yield %	4.85	4.71	4.73	4.88

N.Y.S.E. ALL COMMON

Mar 14	Mar 13	Mar 12	Mar 9	1983-84 High	1983-84 Low
-	-	-	-	442.62 (8/5)	79.79 (24/11)

RISES AND FALLS

	Mar 14	Mar 13	Mar 12
Issues traded	1957	961	1989
Rises	706	37	928
Falls	807	580	628
Unchanged	444	424	403

STANDARD AND POORS

	Mar 14	Mar 13	Mar 12	Mar 9	Mar 8	Mar 7	1983-84 High	1983-84 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	177.12	177.13	176.63	174.19	174.85	174.29	198.84 (6/1)	174.1 (22/2)	193.22 (22/8/83)	3.52 (30/6/32)
Composite	156.77	156.78	156.34	154.35	-	154.57	169.28 (6/1)	154.25 (22/2)	170.88 (10/10/83)	4.4 (1/6/32)

	Mar 7	Feb 22	Feb 29	Year Ago (Approx)
Ind div yield %	4.09	4.08	4.01	4.24
Ind. P/E Ratio	11.81	12.59	12.82	13.11
Long Gov Bond Yield	12.15	11.88	11.88	10.58

MONTREAL

	Mar 14	Mar 13	Mar 12	Mar 9	1983-84 High	1983-84 Low
Industrials	438.87	428.28	425.87	424.8	461.4 (6/1)	412.97 (21/2)
Combined	408.85	406.85	405.85	404.4	433.87 (6/1)	397.89 (21/2)
TORONTO Composite	-	-	-	-	2586.7 (6/1)	2400.8 (30/1)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

مكتبة الأسد

LONDON STOCK EXCHANGE

MARKET REPORT

Volume increases sharply after Budget but equity index closes little changed

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Feb 27	Mar 8	Mar 9	Mar 19
Mar 12	Mar 22	Mar 23	Apr 3
Mar 26	Apr 5	Apr 6	Apr 16

* "New-time" dealings may take place from 9.30 am two business days earlier.

Investors demonstrated quite clearly yesterday their confidence in the Chancellor's Budget measures. Turnover in London expanded dramatically, the combined total of industrial and financial shares traded running into many millions compared with a recent daily average of around 150m. Top quality stocks were the main targets as investors switched funds to companies likely to benefit from the Budget, and particularly the proposed annual reductions in Corporation Tax.

The final moveent of only 0.4 down in the FT Industrial Ordinary share index belied a remarkable equity performance. Although the euphoric tone of the previous evening was missing, the index initially extended Tuesday's sharp upturn by a point or so. It quickly reacted, however, to stand 7 points down at 11 am before reducing the loss at each subsequent count to close at 864.6.

Leading Stores and Food Retailers were extremely active and strong at the expense of capital intensive groups, but most shares ran into a wave of mid-morning profit taking. NatWest's base lending rate cut of ½ percentage point to 8¾ per cent later set in motion a recovery movement similar announcements later from both Midland and Lloyds later sealed the rally. The clearers themselves wilted on views that certain Budget proposals could adversely affect future profits.

Rather lost among the exciting scenes was the Monopolies Commission clearance of Trafalgar House's bid for P & O, satisfactory anual profits from leading Engineer GKN, and important trading statements from other market leaders. Illustrating the broader market tone, the FT-Actuaries All-Share index rose 0.5 per cent to a record 513.74 and the FT-SE 100-share index gained 5.2 to 1,087.7.

Government securities began with a flourish and the authorities' remaining supplies of the tap stock, £40-paid Exchequer 10 per cent 1989 "A," were exhausted at 40½ owing to a large overseas, possibly Middle East, order. Thereafter, interest evaporated and the market lost firmness. Closing falls were small among conventional issues, but index-linked stocks came under revived pressure on the prospect of still lower UK inflation. Treasury 2 per cent 1990 fell ½ to 87½ and other losses extended to ¾.

Banks fall

Having risen sharply late Tuesday on relief that the much-feared "windfall" or credit tax did not materialise, the major clearing banks weakened following consideration of other tax impositions. The reduction in capital allowances, which could damage the banks' lucrative leasing business, and the prejudice that the cut in corporation tax sets against bank borrowing were the main reasons for the slump. Barclays, up 25 the previous days, dropped 40 to 535p. NatWest reacted 45p to 670p and Lloyds fell 32p to 588p. Midland gave up 17 at 388p, after 385p; the reductions in base lending rates were anticipated. Discount Houses greeted the move towards cheaper money with gains ranging to 25. Alexanders, currently in receipt of a bid from Mercantile House, closed that much better at 575p. Union firmed 10 to 780p as did Cater Allen, to 510p. Among Merchant Banks, Minster Assets reflected revived takeover hopes at 129p, up 5. Elsewhere, Baltic Leasing were sold down to 235p before layying to close only 8 down on balance at 270p.

A post-Budget analytical appraisal by stockbrokers' Phillips and Drew and the view that Lloyds Brokers would be the major beneficiaries of the corporation tax change attracted a good demand to a sector buoyant of late on takeover hopes. Willis Faber soared 35 to 722p, after 732p. Stewart Wrightson put on 18 to 338p, after 340p, while C. E. Heath added 12 to 340p and Minet 11 to 161p. Life Assurances staged a half-hearted rally from the depressed overnight levels which reflected the abolition of premium relief. Legal and General picked up 10 to 485p and Equity and Law hardened 5 to 720p, but Hambro Life remained depressed at 400p, down 15. Pearl dropped 25 more to 730p.

Mr Derrick Taylor's and Mr Larry Tracey's Reading-based electronics concern Powerline made a sparkling debut in the Unlisted Securities Market; the shares, some 72 times oversubscribed at the offer price of 160p, opened at 245p and moved up to 255p before reacting to 225p on stag selling; however, subsequent demand saw the price move back up to 248p for a net first-day premium of 88p. Plalon, Tuesday's newscomer to the USM, advanced 8 more to 150p compared with the placing price of 120p.

Still relieved by the modest excise duty increases, Breweries scored further impressive gains. Grand Metropolitan followed Tuesday's rise of 18 with a fresh gain of 8 to 324p, while Allied Lyons added 8 at 171p, after 174p, and Bass advanced 15 to 456p. Arthur Guinness appreciated 3 more to 164p and Scottish and Newcastle put on a similar amount to 121½p. Elsewhere, H. P. Bulmer hardened 3 more for a two-day improvement of 10 to 220p on satisfaction with the meagre 3p per pint duty increase on cider.

Buildings had a distinctly mixed appearance. Budget implications left Blue Circle 7 off at 435p, but lifted RMC 10 to 438p. Tarmac hardened 4 to a 1983-84 peak of 490p, but Rugby Portland Cement softened 1½ to 113p. The Chancellor's decision to raise the stamp duty threshold by £5,000 to £30,000 failed to stimulate the major housebuilders which remained overshadowed by Barratt Developments' disappointing preliminary statement; Barratt lost another 10 to 142p and George Wimpey shed 4 to 153p. Recently buoyant Ward Holdings came back 5 to 131p, but Federated Housing responded to the good annual figures with a gain of 7 to 53p. Timber issues reacted sharply on suggestions that the introduction of VAT on alterations could affect profits, but a late rally left final quotations well above the worst. Magnet and Southerns dipped to 138p prior to closing only 2 cheaper on balance at 148p, while Meyer International settled 3 cheaper at 148p, after 146p. Elsewhere, Irish cement concern Cement Roadstone shed 2½ to 58½p following the poor preliminary results and rights issue proposals.

ICI traded briskly and touched 600p before closing a net 4 up at 596p. Other Chemicals usually managed modest gains, Laporte rising 5 to 376p and British Tar Products adding 4 more to 83p. Elsewhere, Amersham International hardened 3 to 237p.

Stores go up again

Leading Stores passed an active and extremely firm session in the wake of the Budget proposals as hopes that the abolishment of the National Insurance surcharge and the mooted reduction in mortgage rates will lead to an upsurge in consumer spending. The cut in Corporation tax rates also provided a stimulant with Marks and Spencer particularly benefiting from the latter and closing 10 higher at 263p. Gussies A advanced 17 to 630p, after 633p, while British Home added 8 at 234p and Habitat gained 4 to 334p. Debenhams also put on 4 to 166p. House of Fraser, however, failed to participate and declined 4 to 268p as hopes of a U.S. bid diminished. Elsewhere, Stead and Simpson A found support at 120p, up 10, while John Menzies rose the same amount to 340p and MFI appreciated 8 to 172p. Against the trend, Grattan fell 6 to 78p on nervous offerings ahead of today's results. Empire lost 6 in sympathy to 86p. Among Shoes and Leather concerns, Lambeth Howarth were outstanding at 218p, up 18.

The proposed changes in corporation tax and capital allowances had a particularly adverse impact on Ferranti which met persistent selling and fell away to close 23 down at 699p. Others to react for a similar reason included Thorn EMI, 14 off at 653p, and BICC, 8 cheaper at 260p. Elsewhere in Electricals, high technology stocks featured as Eurotherm advanced 15 more to 292p and Farnell 12 to 418p, while Electrocomponents rose 14 to 315p. In marked contrast, disappointing interim results prompted a fall of 30 to 405p in Gee. H. Scholes.

Although not up to best expectations, the preliminary results from GKN were thought to be satisfactory and the price closed only a penny cheaper on the day at 212p, after 208p. TI traded quietly awaiting today's annual results, but scattered nervous offerings left the quotation 10 lower at 250p. Johnson and Firth Brown, however, slipped 1½ to 16½p following the decision to defer payment of the Preference dividend.

The Budget proposals prompted further widespread and sometimes substantial gains among Food Retailers, many of which achieved fresh 1983-84 peaks. Stock shortages often exaggerated gains and J. Sainsbury stood out with a rise of 33 to 528p, while Associated Dairies rose 10 to 176p and Kwik Save 12 to 194p. Amos Hinton advanced 18 to 275p and William Morrison put on 12 to 210p.

BTR dip and rally

Nervously sold down to 465p initially, BTR rallied smartly following preliminary results at the top end of expectations to close a shade better on balance at 481p. Other Miscellaneous Industrials finished the day with mixed movements. Bowater, still reflecting bid hopes, closed 8 higher at 274p, after being down to 260p at one stage. Boots, up 5 at 175p, drew strength from the Budget tax proposals. BOC eased 6 to 275p and Hanson Trust 4 to 186p. Elsewhere, J. Hewitt responded to the good annual results and proposed scrip issue with a rise of 14 to 166p. Bestwood featured with a gain of 22 to 210p on persistent speculative buying. In contrast, the change in Corporation Tax and capital allowances depressed British Aerospace, which fell 10 to 216p, while the proposal to charge VAT on building alterations brought a fall of 23 to 537p in Wolseley-Hughes and a more modest reaction of 3 to 79p in Marley. On the other hand, Rank Organisation, judged to be a beneficiary of the Budget, improved 8 to 258p. Lawtex advanced 6 to 55p following the first-half profits turnround and return to the interim dividends.

Horizon Travel advanced 5 to 185p following preliminary profits in excess of most market expectations coupled with indications of a substantial increase in holiday bookings for the current year. Elsewhere in Leisures, Pleasurama attracted late support in a narrow market to close 23 higher at 416p.

Properties succumbed to a bout of profit-taking. Land Securities slipped to 273p before closing a net 6 off at 280p, while Hammerson "A" and Haslemere Estates shed 10 apiece to 635p and 486p respectively. Great Portland Estates fell 4 to 154p, as did Slough Estates, to 126p.

The Monopolies Commission's decision to give the green light to Trafalgar House's bid for P & O Deferred came as no real surprise but nevertheless sparked off a fair amount of speculative interest. P & O touched 312p initially but then fell away on profit-taking to 300p, before closing a net 5 down at 305p, while TH dropped to 229p and ended 7 lower at 231p.

The duty increase on cigarettes prompted only slight weakness in Imperial which touched 138p, before rallying to finish only 2 easier at 141p. Rothmans, however, recovered 5 to 129p, while Bats closed 9 higher at 196p.

Press comment highlighting the major beneficiaries of the Corporation Tax changes induced demand for both Mercantile House, 422p, and M and G Group, 675p, which closed 22 and 30 higher respectively. Henderson Administration were also supported and closed 23 dearer at 403p.

Ultramar advance

Ultramar rose 22 to 722p on the impressive preliminary results and 100 per cent scrip issue which imparted firmness to the other Oil majors. However, a bout of U.S. selling left British Petroleum, which is due to reveal its annual results today, a couple of pence cheaper on balance at 430p, after 437p. Shell, also reporting today, finished 4 dearer at 645p, but LASMO slipped 6 to 300p. Britoil rose 8 to 250p; the company has successfully completed its application to participate in Norway's eighth round of off-shore licensing and been awarded Block 6407/6 West of Trondheim. Elsewhere, Atlantic Resources rose 25 to 510p awaiting drilling news, while Eglington gained 7 to 95p. Steaua Romana attracted speculative demand on vague bid rumours and put on 6 to 40p, while the agreed offer for Drilling Tools Holdings lifted Petrocon 11 to 148p. Texas oil and gas exploration group Petranol met with fresh support and touched 270p before profit-taking left a close of a net 8 up at 253p.

Dealings in five small Western Australian-based oil companies were halted in both Sydney and London. GEM Exploration were suspended at 5p, Stirling Petroleum at a similar price, Magnet Metal at 10p, Monarch at 13p, and Lennard Oil at 19p.

Golds quietly firm

Mining issues continued to take a back seat as attention was directed elsewhere in the wake of well-received Budget proposals.

Firmer overnight on Wall Street, South African Golds made further modest progress as the bullion price recrossed the $400 per ounce level at the morning fixing. Sporadic support from the Cape failed to entice follow-through demand from London and Continental sources, and with the U.S. also displaying a marked lack of interest, gains among the heavyweights were usually restricted to around a point.

Noteworthy firm spots were provided by Vaal Reefs, £95½, and St Helena, £28¼, up 1½ and 1½ respectively. Among more marginal counters, South African Land rose 25 to 589p, while gains of 27 were common to West Rand and ERGO, both closing at 711p. Smaller-priced issues showed Bracken 18 higher at 271p and Vlakfontein 15 dearer at 237p.

The Gold Mines index rose 9.7 to 703.1, while bullion closed below the best at $399.5, a gain of $1.75 on the day.

Dealers expressed disappointment with a lacklustre trade in leading London-domiciled Financials. Gold Fields firmed a few pence at 600p, but small losses were sustained by Charter, 237p, and RTZ, 667p. In South African Financials, De Beers eased a couple of pence to 608p following a cautious review from London brokers Phillips and Drew behind the preliminary results. "Amgold" closed nearly two points up at £59¾, but other issues were content to merely mark-time.

Australians passed another featureless session with the leading diversified stocks closing a few pence dearer for choice. CRA hardened 4 more at 354p, but Peko-Wallsend dipped 12 to 336p.

Among speculative Golds, Tunax Resources, firm recently on its interests in Western Australia's Coolgardie region, succumbed to profit-taking and shed 6 to 74p. Southern Resources fell 6 to 106p on the proposal to sell a 15 per cent stake in its China Camp Tin subsidiary to Cultus Pacific, a fraction dearer at 13½p.

Traded Option operators took heart from the Budget proposals and total contracts struck yesterday amounted to 5,867—the highest so far this month. Business was well distributed throughout the list with particular attention being paid to Grand Metropolitan positions which recorded 850 calls and 167 puts; the April 300 calls attracted 218 trades and doubled to 28p, while the April 325 calls recorded 462 trades and rose 9 to 12p.

FINANCIAL TIMES STOCK INDICES

	March 14	March 13	March 12	March 9	March 8	March 7	year ago
Government Secs ...	83.43	83.60	83.43	83.14	83.18	83.38	81.40
Fixed Interest ...	87.48	87.46	87.26	87.14	87.12	86.97	83.14
Industrial Ord. ...	864.6	865.0	844.1	840.9	837.7	830.4	671.3
Gold Mines ...	703.1	693.4	697.9	711.7	696.9	699.6	659.7
Ord. Div. Yield ...	4.27	4.26	4.35	4.38	4.40	4.41	4.79
Earnings, Yld.% (full)	9.17	9.13	9.36	9.42	9.44	9.46	10.06
P/E Ratio (net) (*) ...	13.30	13.34	12.93	12.84	12.80	12.78	12.01
Total bargains ...	34,398	32,420	34,603	34,010	25,502	20,217	23,679
Equity turnover £m.	—	509.67	237.00	517.49	276.31	268.65	219.97
Equity bargains ...	—	20,143	21,605	25,096	20,312	19,267	20,147
Shares traded (ml) ...	—	180.0	146.2	189.6	170.1	156.3	148.6

10 am 866.2. 11 am 858.0. Noon 860.8. 1 pm 861.9. 2 pm 862.9. 3 pm 864.0.

Basis 100 Govt. Secs. 8/1/58. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.

Latest Index 01-246 8026.

* Nil=12.33.

HIGHS AND LOWS

	1983/84 High	1983/84 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	83.77 (6/1/84)	77.00 (24/1/83)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/3/84)	79.03 (1/2/83)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	865.0 (13/3/84)	598.4 (12/1/83)	865.0 (13/3/84)	49.4 (26/6/40)
Gold Mins.	734.7 (7/2/83)	444.6 (1/11/83)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	March 13	March 12
Daily Gilt Edged Bargains ...	160.2	181.4
Equities Bargains ...	130.5	140.0
Value ...	436.2	479.0
5-day Average Gilt Edged Bargains ...	179.2	189.6
Equities Bargains ...	138.8	159.4
Value ...	530.1	644.1

FT-SE 100 INDEX

Close ...	1087.7 (+5.2)
Day's high ...	1088.1 (4.29 pm)
Day's low ...	1079.9 (11.19 am)

(Base value=1000 December 30 1983)

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Allied-Lyons ...	171	+ 8
BTR ...	481	+ 1
Barclays Bank ...	535	−40
Barratt Devs ...	142	−10
BP ...	430	− 2
ICI ...	596	+ 4
Ladbroke ...	253	+10
Land Securities ...	280	− 6
Marks and Spencer ...	263	+10
Powerline Intl New ...	248	—
Sainsbury (J.) ...	528	+33
Willis Faber ...	722	+35

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of	Tues. price	Day's change
CPS Computer	35	173	—
Platon Intl New	20	142	—
Petranol New	18	245	+35
Rolfe & Nolan	14	230	+20
Ward Holdings	14	138	+15
BTR ...	13	480	+ 5
Legal and Gen	13	475	−21
Logica ...	13	405	+35
Crystalate ...	12	270	+12
Glaxo ...	12	870	+40
ICI ...	12	592	+14
Assoc Dairies	11	168	+12
Bowater ...	11	266	+15
Macphran (D.)	11	65½	+ 1½

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. C Canadian. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. ☆ Unlisted Securities Market. § Placing price. †† Official London Listing. * Offered as units, comprising one ord and one N/V A ord. † Offered as units, comprising one Red. Prf. share of 1p and 55p of 12 per cent Conv. Ln. stk. 1986-90. ‡ No par value.

NEW HIGHS AND LOWS FOR 1983/4

NEW HIGHS (285)

BRITISH FUNDS (2)
CORPORATION LOANS (1)
LOANS (3)
FOREIGN BONDS (1)
BANKS (3)
BREWERS (5)
BUILDINGS (4)
CHEMICALS (1)
STORES (15)
ELECTRICALS (13)
ENGINEERING (10)
FOODS (9)
HOTELS (4)
INDUSTRIALS (30)
INSURANCE (5)
LEISURE (8)
MOTORS (1)
NEWSPAPERS (2)
PAPER (9)
PROPERTY (11)
SHIPPING (2)
SHOES (1)
SOUTH AFRICANS (1)
TEXTILES (3)
TRUSTS (55)
OILS (2)
PLANTATIONS (1)
MINES (3)

NEW LOWS (12)

BRITISH FUNDS (4)
Treas. 2pc I.L. 1990 Treas. 2½pc I.L. '11
Treas. 2½pc I.L. '01 Treas. 2½pc I.L. '20

CANADIANS (1)
Can. Imp. Bank

BUILDINGS (1)
Barratt Dvlpts.

ELECTRICALS (4)
Immed. Bus. Systems Telefusion
Oceanics Telefusion A N-V

INDUSTRIALS (1)
Airship Inds.

OILS (1)
Sunmask Pet.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar 5	Mar 16	June 14	June 25
Mar 19	Mar 30	June 28	July 9
Apr 2	Apr 13	July 12	July 23

For rate indications see end of Share Information Service

Demand for Options contracted but calls were taken out in Polly Peck, Bristol Oil and Minerals, Selincourt, John Brown, Birmid Qualcast, Redicut, Royal Bank of Scotland, European Ferries, Johnson and Firth Brown, Amalgamated Estates, Wedgwood, Petranol, Mersey Docks, Stockley, GRA, AE and W. E. Norton. A put was struck in Cosalt, while a double was arranged in Sterling Guarantee Trust.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds ...	6	63	35
Corpns. Dom. and Foreign Bonds ...	17	16	45
Industrials ...	419	206	788
Financial and Prop. ...	262	76	186
Oils ...	41	25	55
Plantations ...	2	5	12
Mines ...	58	19	96
Others ...	50	78	75
Totals ...	855	438	1,292

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Wed March 14 1984 — Tues March 13 — Mon March 12 — Fri March 9 — Thurs March 8 — Year ago (approx)

[illegible]

FIXED INTEREST

[illegible]

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug Vol.	Aug Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$400	—	—	6	27.80	—	—	$400.50
GOLD C	$425	60	6.50	19	17.50	11	25	"
GOLD P	$375	—	—	2	5.50	5	6	"

[illegible]

TOTAL VOLUME IN CONTRACTS 24,759

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls July	Calls Oct.	Puts Apr.	Puts July	Puts Oct.
B.P. (*440)	380	53	55	—	6	11	—
	420	25	33	43	19	24	30
	460	6	10	23	48	50	56
Cons. Gold (*599)	460	145	150	—	1	2½	—
	500	105	115	125	1½	7	14

[illegible]

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
LASMO (*301)	260	55	65	—	5	8	—

[illegible]

Mar. 14. Total Contracts 5,867. Calls 4,929. Puts 938.

* Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

[illegible]

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. AND LEASING

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY—Continued

[illegible]

ELECTRICALS

[illegible]

ENGINEERING

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

1983-84 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
[illegible]								

LEISURE—Continued

[illegible]								

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

INSURANCE

[illegible]

LEISURE

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—continued

Australians

1983-84 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	13½	♥ACM 20c	17	..	—	—	—
52	28	♥Allstate Expl. NL	35		—	—	—
10½	3¾	♥Asia Oil & Mins	4¼		—	—	—
19	17	♥Aust Hydrocarbon NL	18		—	—	—
40	9	♥Australis Mng NL	29½	−½	—	—	—
35	11	♥Balmoral Res.	35	+2	—	—	—
60	29	♥Black Hill Mins	33		—	—	—
104	51	♥Bond Corp	98		Q10c	0.7	6.9
183	116	♥Bougainville	160	−2	Q15.56c	♦	6.6
[illegible]							

Tins

[illegible]

Miscellaneous

1983-84 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
[illegible]							
170	15	♥Admiral Mines	20	..	—	—	—
90	34	♥Anglo-Dominion	75	..	—	—	—
93	57	♥Anglo Utd Dev.	58	+1	—	—	—
400	180	♥Centennial Minerals	340	+3	—	—	—
175	60	♥Colby Res Corp.	170		—	—	—
950	315	Cons. Murch. 10c.	932	−18	100c	♦	6.3
£19½	£10⅝	Eastern Trans Cons 50c	£19½	+½	Q85c	4.9	2.2
240	170	Hampton Areas 10p	235	..	3.75	2.1	2.1
215	103	♥Highwood Res.	195		—	—	—
£24½	£17½	Homestake Mining $1	£24⅛	−⅛	Q20c	—	0.6
495	275	Northgate C$1	330	..	—	—	—
687	437	R.T.Z.	667	−7	17.0	2.9	3.6
£148½	£108	Do 9⅞% Cv Un Ln '95-2000	£145	+1½	Q9½%	32.5	6.6
190	13	♥Sabina Inds C$1	90	−2	—	—	—
£11¼	312	♥Tara Expln. $1	955	−20	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution, this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed, dealings permitted under Rule 163(4)(a).
- ✢ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend, cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ☆☆ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Issue price. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	76	+1	Fin. 13% 97/02	£91½	.....
Craig & Rose £1	900	..	Alliance Gas	70	....
Finlay Pkg. 5p	46	−1	Arnott	218	..
Higsons Brew.	115	...	CPI Hldgs.	82	.. ..
Holt (Jos) 25p	908	+10	Carroll Inds.	128	...
I.O.M. Stm. £1	142	+3	Hall (R. & H.)	60	.. ..
			Heiton Hldgs.	22	...
			Irish Ropes	53	..
IRISH			Jacob (W. & R.)	57	....
Exch 12% 1985	£98⅝	....	T.M.G.	60	.. ..
Nat 9¾% 84/89	£87¾	.	Unidare	70xd	+½

For Bridgewater see Property

OPTIONS

3-month Call Rates

Industrials		Hawker Sidd	38	Vickers	14
Allied Lyons	15	House of Fraser	26	Woolworth Hld.	50
BOC Grp.	27	I.C.I.	42		
B.S.R.	26	"Imps"	12	**Property**	
Babcock	17	I.C.L.	7½	Brit. Land.	11
Barclays Bank	45	Ladbroke	23	Cap. Counties	16
Beecham	32	Legal & Gen.	45	Land Sec.	25
Blue Circle	40	Lex Service	40	MEPC	25
Boots	16	Lloyds Bank	50	Peachey	17
Bowaters	25	"Lots"	3	Samuel Props.	12
Brit. Aerospace	20	Lucas Inds.	18	Sterling Guar.	4
B.A.T.	15	"Mams"	14		
Brown (J.)	3	Mrks. & Spncr.	20		
Burton Ord.	22	Midland Bank	36	**Oils**	
Cadburys	11	N.E.I.	18	Bristol Oil & Min	0
Comm. Union	16	Nat. West. Bank	60	Brit. Petroleum	35
Courtaulds	11	P & O Dfd.	25	Burmah Oil	17
Debenhams	14	Plessey	20	Charterhall	9
Distillers	22	Racal Elect.	18	Premier	6
Dunlop	5	R.H.M.	8	Shell	55
F.N.F.C.	6¼	Rank Org. Ord.	24	Tricentrol	20
Gen. Accident	42	Reed Intnl.	40	Ultramar	60
Gen. Electric	16	Sears	8		
Glaxo	70	T.I.	22		
Grand Met.	38	Tesco	16	**Mines**	
G.U.S. "A"	55	Thorn EMI	55	Charter Cons.	24
Guardian	58	Trusthouse	18	Cons. Gold	58
G.K.N.	20	Turner & Newall	10	Lonrho	12
Hanson Tst.	17	Unilever	75	Rio T. Zinc	60

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 43

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard EC4P 4DX 01-236 1833

High Income				
Gilts & Fixed Int.	117.7	124.6xd	-0.1	9.63
High Inc Equity	62.8	66.8	-0.1	6.33
Capital Growth				
American Growth	93.6	99.6	+0.1	1.81
Assets & Ernngs. Tt	58.4	62.5	+0.5	2.78
Capital Reserve (2)	52.6	52.9xd	.....	0.00
Commodity & Engy	79.6	84.7xd	-0.5	2.62
General	95.1	101.7	+0.2	2.44
Japan	138.2	147.0	+0.8	0.20
UK Growth	58.9	62.7	-0.3	2.22
Acc Units	80.9	87.0	-0.4	2.22
US Emerging Co's	44.7	47.6	-0.1	0.55
Worldwide Bond	144.5	153.7	-0.3	3.58
Equitas Prog.	133.9	143.2	-0.3	4.09

Aitken Hume
1, Worship St., EC2 01-628 6626

American Tech Fd	117.7	126.0	-0.3	0.10
Inc & Gwth Fd	36.0	37.4	-0.1	5.47
Pacific Fd	150.2	161.5	-1.0	0.40
Secure Income Fd	124.2	133.0	.....	6.20
Special Sits	164.2	175.8	+3.0	0.97
Energy Fd	227.5	243.5	-0.9	0.60
Exempt Fd	396.0	423.5	+9.1	3.00
Small Co's Fd	271.9	291.0	-1.6	1.70
Jap. Technology	65.5	70.5	+0.5	0.20

Allied Unit Trusts Limited (A.) (G.)
Allied Hambro Hse., Hutton, Brentwood, Essex
Brentwood (0277) 211459 & 229123

Balanced Trusts				
First Trust	136.0	144.2xd	-0.6	4.41
Growth & Income Tst	88.7	94.0	-0.2	3.51
Capital Trust	163.8	173.6	-1.4	2.72
Balanced Trust	236.3	250.5	-0.8	3.54
Accum Trust	345.2	365.9	-0.2	3.28
Income Trusts				
High Income Trust	147.7	156.6xd	-1.0	5.22
Equity Income Trust	83.8	88.8	-0.4	5.53
High Yield Trust	102.7	108.9	-0.7	6.43
Govt Secs Trust	29.6	31.6	+0.1	8.58
International Trusts				

Britannia Gp of Unit Trusts Ltd (a) (c) (g)
Salisbury Hse, 31 Finsbury Circus, London, EC2. 01-588 2777 Dealing: 01-638 0478/0479.
Britannia Viewpoint 01-673 0048

UK Specialist Funds				
Growth Gilt Trust	49.6	50.4	+0.1	0.78
Recovery	70.4	75.1xd	-0.2	2.83
Smaller Cos	94.2	100.5xd	-0.4	1.46
Spec. Mkt. Sits.	75.1	80.2	-0.7	1.62
UK Blue Chip	60.0	64.8	-0.3	3.42
High Income Funds				
Nat. High Inc.	121.3	129.4	-1.0	6.94
Extra Inc.	45.9	49.0	-0.4	8.14
Inc & Growth	123.8	131.2	-1.3	5.58
Gilt	27.4	28.8	.....	9.38
Pref. Shares	17.9	19.1xd	-0.1	11.20
Sector Specialist Funds				
Commodity Shares	149.1	159.0	-0.8	1.98
Financial Secs.	161.2	171.9	-0.9	2.76
Gold & General	31.3	33.1	+0.2	2.32
Int. Leisure Mkt.	9.5	10.1	.....	0.39
Inv. Tst. shares	99.5	106.1	.....	1.14
Prop. Shares	34.1	36.4xd	-0.6	1.95
Univ. Energy	71.7	76.5	+0.3	1.04
World Tech	44.1	47.0xd	-0.4	—
Overseas Funds				
American Growth	63.7	67.9xd	-1.0	1.54
Am. Smaller Cos.	19.1	20.4	-0.2	—
Am. Spec. Sits	60.3	64.3	-0.9	0.71
Australian Growth	70.2	74.9	-0.2	1.35
Far East	41.6	44.4xd	-0.1	—
Hong Kg. Performnce	20.7	22.1	-0.1	1.83
Intl. Growth	106.8	113.9	+0.3	1.17
Japan Perf. Tst	38	40.6	+0.6	—
Japan Smlr Cos Tst	12.5	13.3xd	-0.1	—
General Funds				
Capital Acc.	125.9	134.3	-0.4	3.22
Comm. & Ind.	95.6	102.0	.....	3.72
Domestic	80.5	85.9	-0.9	3.86
Growth	162.6	173.4	+0.7	1.60
Shield	85.0	90.7xd	-0.4	1.93
Exempt Funds				
Exempt	296.8	310.8	-2.0	4.08
Ex. Mkt. Ldrs	52.2	54.7	.....	3.45

Brown Shipley & Co. Ltd. (a)(g)
Harlands Hse, Haywards H'th, Sx. 0444-458144.

B.S. Fund	42.0	45.6xd	-0.9	4.16
B.S. Accum	66.0	71.7	-0.9	4.16
Financial	80.3	86.3xd	.....	3.26

Crown Unit Trust Services Ltd.
Crown Life Hse, Woking GU21 1XW. 04862 24933

Crown High Inc. Trust	147.08	157.3	-1.2	6.22
Crown Growth Trust	132.6	142.2	-0.4	3.61
Crown Amer Trust	86.9	92.9	+0.5	1.08

Dartington Unit Trust Mngt. Ltd.
Dartington, Totnes, Devon TQ9 6JE. 0803 862271

Total Perf. Unit Tst	36.3	41.2	+0.2	2.46

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485

Dic Inc Mar 9	367.1	391.5	.....	3.68

Duncan Lawrie Fnd. Mgrs. (g)
1, Hobart Place, London SW1W 0HU. 01-245 9321

Growth	19.1	20.5	+0.1	2.9
Income	38.7	41.2	+0.4	8.8
Overseas	67.7	72.6	.....	2.6

Edinburgh Fund Managers plc
4 Melville Cres., Edinburgh. 031-226 4931

Edinburgh Exempt Funds*				
American Mar 14	103.6	108.0	.....	2.22
Japan Mar 15	647.3	674.9	+17.4	0.27
Pacific March 9	188.1	196.1	.....	1.08
Smllr Jap Co's Mar 9	100.0	104.2	.....	0.10

*Unauthorised

Equity & Law Un. Tr. M. (a) (b) (c)
Amersham Rd., High Wycombe. 0494 33377

UK Gwth. Tst. Acc.	93.7	100.7	.....	3.30
UK Gwth. Tst. Inc.	87.4	93.9	.....	3.30
Higher Inc. Tst. Acc.	124.2	133.5	.....	5.69
Higher Inc. Tst. Inc.	115.5	119.8	.....	5.69
Gilts/Fxd.Int. Tst.Acc.	79.0	83.1xd	.....	3.59
Gilts/Fxd.Int. Tst.Inc.	72.0	75.7xd	.....	3.59
Nth.America Tst.Acc.	93.7	100.7	.....	0.63
Far East Tst. Acc.	82.8	89.0	.....	0.36
Euro. Tst. Acc.	68.7	73.8xd	.....	1.32
Gen. Tst.	149.9	161.1xd	.....	3.37

F & C Unit Management
1 Laurence Pountney Hill, EC4R 0BA. 01-623 4680

Key Inv Fd	—	130.48	+2.53
PcmkrInvFd	—	130.01	+3.55
Equity Fd	115.61	121.69	....
Fxd Int Fd	109.34	115.09	....
PropyFd	103.49	108.94	....
Cash Fd	101.91	107.27	....
Managd Fd	118.91	125.17	....
Col Mut Life (Pension Annuities)			
MgnCoA/B	105.95	111.53	....
ManlnvA/B	106.45	112.06	....

Commercial Union Group
St Helens, 1 Undershaft, EC3. 01-283 7500

VarAnnMar15	—	34.49	....
VarAnAccUts	—	156.69	....
Prime Series—Life			
Managed	137.7	145.0	+0.6
UK Equity	142.8	150.4	+0.7

Int Acc	147.7	155.5	....
ManagdAcc	172.9	182.1	....
Spec Sits	132.2	139.2	....
PenIntAcc	140.8	148.3	....
PenPrpAcc	184.1	193.8	....
Penc Equity	219.7	231.3	....
Pen My Acc	170.3	179.3	....

Gilt Deposit. Index Fund prices available on request.

Crown Life
Crown Life House, Woking GU21 1XW. 048682-5033

PenMnyAcc	129.1	135.8	....
PenMnyInt	117.0	123.1	....
PE Coronet	185.5	194.9	....
BrwlngEqFd	278.1	292.7	....
StratInvFd	154.4	162.6	....
Heritage Fd	146.5	154.2	....

INSURANCES

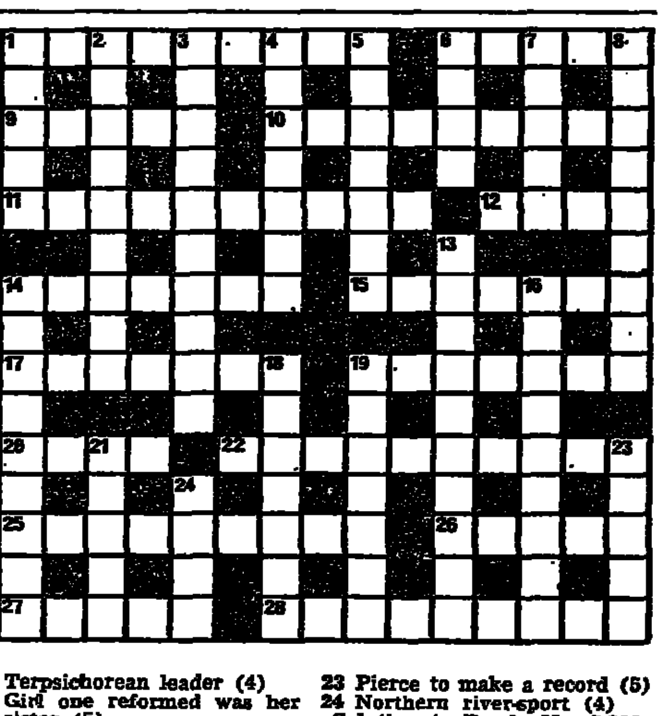
Insurances—continued

Offshore & Overseas—continued

Money Market Trust Funds

Money Market Bank Accounts

F.T. CROSSWORD PUZZLE No. 5,367



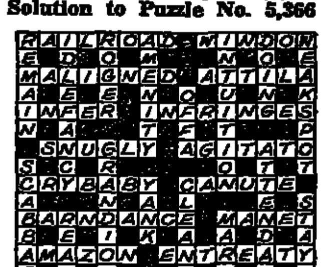
ACROSS

1 Splinters some golf-club (9)
6 Fish-pole (5)
9 From Russia With Love, perhaps, shows cluster on fern-leaves (5)
10 Care for the future of Galsworthy character, we hear (9)
11 Deep sounds emitted by coughers, say (5-5)
12 Nick does not open in Scottish island (4)
14 Final one to retire, possibly, is cursed (7)
15 Lofty challenge to daring youths? (7)
17 Bloody uniform of old soldier (7)
19 To charge, turn set off (7)
20 Plays parts or play's parts? (4)
22 It is not usually thrown in stupid race-riot (7-3)
25 Leading jockey holds reserve of red cheese (9)
26 French composer of wild tribe (5)
27 Japanese liquor right for large falcon? (5)
28 It measures height of flower that can be blue or white (9)

DOWN

1 Orlando's amatory aliment? (5)
2 & 21 Could be chartered spell of work to find the lady (5-4, 5)
3 Stammering —— it can lose people, proverbially (10)
4 Get rid of rank consignment (7)
5 The German newt wriggling in English river (7)
6 History of dance-step by Terpsichorean leader (4)
7 Girl one reformed was her sister (5)
8 Late display of arms to make young appear with older chaps on the square (9)
13 Variegated "Autumn Stir" is a garden favourite (10)
14 Salt formula in strips—they are difficult to move (9)
16 Kit's intellectual resources? (9)
18 Jibe at cricket-side here in Somerset (7)
19 Resort in which Tories turn left! (7)
21 See 2
23 Pierce to make a record (5)
24 Northern river-sport (4)

Solution to Puzzle No. 5,366



INSURANCE & OVERSEAS MANAGED FUNDS

Lloyds Life Assurance—cont.

Gartmore Funds—Series A

American Mar 13	151 8	159 7	...	—
Australian Mar 13	114 8	120 9	..	—
British Mar 13	143 2	150 8	...	—
Commodity Mar 13	139 0	146 4		—
Extra Inc Mar 13	135 9	143 2	.....	—
Far Eastern Mar 13	131 7	138 7		—
Gilt Mar 13	106 6	112 3		—
Global Strat Mar 13	191 1	201 2		—
Gold Share Mar 13	87 4	92 1		—
High Inc Mar 13	139 4	146 8		—
Income Mar 13	171 0	180 1		—
Japan Mar 13	189 5	199 5	...	—
Oil and Energy Mar 13	126 0	133 1		—
Special Sits Mar 13	152 3	160 4	..	—
UK Smllr Cos Mar 13	143 5	151 1	..	—
Man Cur Mar 13	164 1	173 1	..	—

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF 01-404 0393

'Asset Builder'	67 6	71 4	...	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511

Money Mngr Feb 1	65 9	73 1		—
MM Flexible Feb 1	56 2	59 9		—
Fixed Interest Feb 1	56 8	59 9	..	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent page Mon-Fri and Stock Exchange Dealings page Sat

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU 01-680 0606

Property Fund	291 3			—
Property Fund (A)	282 9		..	—
Agricultural Fund	1,143 8			—
Agric. Fund (A)	1,112 5			—
Abbey Nat. Fund	213 0			—
Abbey Nat. Fd. (A)	211 9			—
Investment Fund	145 5		+0 7	—
Investment Fund (A)	142 3		+0 7	—
Equity Fund	465 0		+3 3	—
Equity Fund (A)	456 2		+3 3	—
Money Fund	222 1			—
Money Fund (A)	218 3			—
Actuarial Fund	226 0			—
Gilt-edged Fund	197 1			—
Gilt-Edged Fd. (A)	197 1			—
Retire Annuity	465 1			—
Immed Ann'ty	192 0			—
International Fd.	266 6		−0.4	—
Bldg. Soc. Life Fd.	198 0			—

Property Growth Pensions & Annuities Ltd.

All W'ther Ac. Uts.	272 5	286 8		—
Inv. Fd. Uts.	278 4			—
Pension Fd. Uts.	262 1			—
Conv. Pens. Fd.	306 3			—
Cnv. Pns. Cap. Ut.	276 3			—
Man. Pens. Fd.	369 0		+4.1	—
Man. Pens. Cap. Ut.	283 1		+3 0	—
Prop. Pens. Fd.	289 2			—
Prop. Pens. Cap. Uts.	216 7			—
Bldg. Soc. Pen. Ut.	266 4			—
Bldg. Soc. Cap. Ut.	202 1			—
Gilts Pens. Fd.	178 4		+0.1	—
Gilts Pens. Fd. Cap	154.0			—
Equity Pens. Fd.	290 1		+1.0	—
Equity Pens. Fd. Cap	254.1		+0 8	—
Intl. Pens. Fd.	101 8		+0.7	—
Intl Pens Fd Cap	102.7		+0.4	—

Providence Capital Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG 01-749 9111

Vanbrugh Pension Limited
41-43, Maddox St., Lon., W1R 9LA 01-499 4923

Managed	255.3	268.8	+0.1	—
Equity	330.7	348.2	+0 4	—
Global Equity	100 1	105 4	+0 4	—
Fixed Interest	229 0	241.1	−0 1	—
Property	195.0	205 3		—
Index Linked Gilt	102 0	107 4	−0 7	—
Guaranteed	8.44	—		—
International Money	122 9	129 4	+0 5	—

Windsor Life Assur. Co. Ltd.
Royal Albert Hse., Sheet St., Windsor 68144

Investor Units	160.5	168 9	+1 9	—
Accum. Pen. Units	280 4	295.2	+4 2	—
Flex Inv Growth	170.0	179 0	−1 5	—

Comment on adjacent Page Mon-Fri and Stock Exchange dealings Page Sat.

OFFSHORE AND OVERSEAS

Adig Investment
Postfach 708, 8000 Munich 1, Telex 524269

Adiropa	DM22 34	23 01	−0.10	—
Adiverba	DM75 94	79 74	+0 11	—
Fondak	DM37.18	39.04	+0.12	—
Fondis	DM33.11	34.77	+0 01	—

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933

Albany $ Fd. (CI)	$223.75	227 63	.	1 18

Next dealing March 23

For Allen Harvey & Ross see Cater Allen
Alliance International Dollar Reserves and
Alliance Capital Management International
See adjacent Page Mon-Fri and
Stock Exchange dealings Page Sat.

Andover Futures Ltd. (Adv: Thornte)
c/o MIL: Bank of Bermuda 809-295 4000

NAV Sept 30		$71.25	. .	—

Arbuthnot Securities (C.I.) Ltd. (a)(c)(h)
P.O. Box 428, St. Helier, Jersey. 0534 76077

Dollar Income Tst (z)	$1.007	1 055	+0.005	11.37
Gov't Secs. Tst.	79.7	85 5	−0.2	11.97
Yen Bond*	199 0	207 0	.	5.80
Sterling Fd †	163 0	163.1		8.31
East Ind & Engy*	203 6	217 8	+5.3	0.57

Next dealing *March 22 'March 21.

B.I.A. Bond Investments AG
10, Baarerstrasse CH6301, Zug, Switzerland

Baer Std Jan 20	SF10.830	11,400	..	—

Baerbank (Overseas) Ltd.
Butterfield House, Grand Cayman

Liquibaer J Baer SFd.	11,154	1,159	+2.0	—

30, Gresham Street, EC2 P2EB 01-600 4555.

Energy Intl Mar 13		$43.22	−0.37	—
Merc Eurbd Mar 7	$15 95	16.10		6.03
Select Risk Feb. 21	$16.43	17 02	. . .	—

39-41 Broad St, St Helier, Jersey, CI. 0534 74715

Merc Comm Mar 13	£24.29	25.52	−0 23	0 86
Merc Far East Mar 7	£25.28	25.92		0 69
Merc Trans Mar 9	£22.16	22.72	...	2.16
Metals Tst March 1	£12.57	12.88	..	3 26
Selected Mkt Mar 8	£18.29	18.76	...	1 60

Mercury Money Market Trust Ltd.

D-Mark		DM76.93	+0.03	—
Dutch Guilder		Df1103.15	+0.05	—
Japanese Yen		Y7,734	+2	—
£ Sterling		£18 77	+0.01	—
Swiss Franc		SF76.86	+0.02	—
U.S.$		$31.59	+0 03	—

1 Thomas St, Douglas, I.o.M. 0642 4856

Merc IoM Fund	58.1	61.9	.	7.3
Merc Intl. Bond Fd.	38 5	41.0	−0.2	7.1

Wardley Investment Services Ltd.
4th Floor, Hutchison House, Hong Kong

Wardley Trust	$5.85	6.19	.	1.21
Wardley Nidrn As. Fd.	$27.32	29.33	...	5.11
Wardley Bond Trust	$10 82	11.40	...	8 16
Wardley Japan Trust	$32.20	33.83	....	0 44
Wardley Prov Cap Tst	$10 00	10.60	..	—

WestAvon Secs (Guernsey) Ltd
Borough Hse, St Peter Port, Guernsey. 0481 27963

Gilt & Option Fd.	£1.18	1.23	.	2.50
US $ Option	$0.84	0.89	..	—

World Wide Growth Management®
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd		$12.95	+0.06	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10 St George's St., Douglas IoM 0624 25015

Wren Com. Fund	24 1	25.1	...	—
Chinese Fund	62.7	65.3	.	—
Precious Metal Fund.	145.3	151.0	. .	—
Vanguard Cmdy. Fd.	36 0	37.0	. .	—
Financial Futures Fd.	73.2	76.2		—
Wren Intl. Fnd.*	$0 814	0.847	.	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rate of NAV increase.

COMMODITIES AND AGRICULTURE

Trading halted in palm oil futures

BY WONG SULONG IN KUALA LUMPUR

MALAYSIA'S commodities exchange yesterday suspended trading in palm oil futures following the outbreak of yet another dispute.

In a statement ordering the halt in trading, the Kuala Lumpur Commodities Exchange said that five commodity companies have been suspended for failing to honour contracts for crude palm oil worth 162m ringgits ($70m).

No indication was given about how long the suspension would last, but trading is expected to resume before the weekend.

The five companies were alleged to have defaulted on 5,000 lots of 25 tonnes each due for delivery in March, April, May, June and July, totalling 125,000 tonnes of palm oil. As a result the Exchange has announced fixed prices for settlement of the contracts.

No explanation was given for the companies' refusal to honour their contracts, but the latest dispute follows the exchange's imposition of emergency rules governing trading and a demand from the Kuala Lumpur Commodities Clearing House for an additional 700,000 ringgits in margins from clearing members.

Under the emergency rules, members are allowed to trade up to a maximum of 100 lots on each trading day and each transaction on the floor cannot exceed five lots.

The actions of the exchange and the clearing house have been strongly criticised by the floor traders, who were planning to propose a resolution of no confidence on the management of both these authorities at an extraordinary general meeting to be held next Wednesday.

The members also want the clearing house to be dissolved and replaced by an in-house company, which will undertake the fulfilment of contracts.

The exchange said the resolution had been submitted too late for inclusion in the agenda for next week's extraordinary general meeting. So traders are planning to call for another meeting to be held at a later date.

EEC considers release of wheat stock surplus

BY JOHN EDWARDS

THE EEC Commission is considering releasing wheat from surplus intervention stocks to help millers within the Community increase exports of flour to the world market.

It is claimed that opportunities exist for increased exports of flour, while the scope for raising grain sales overseas is not sufficient to bring down surplus stocks adequately.

In Washington meanwhile, Mr John Block, U.S. Secretary of Agriculture, said he was alarmed at the EEC foreign ministers instructing officials to prepare for restrictions on imports of cereals substitutes such as maize gluten feed.

Mr Block said the Community would have to notify Gatt (General Agreement on Trade and Tariffs) before any import restrictions were imposed and the U.S. was not prepared to make any concessions.

LME prices ease on strength of sterling

THE RISE in the value of sterling against the dollar brought a generally easier trend on the London Metal Exchange yesterday. The cash price of standard grade tin lost £95 to £8,530 a tonne, and aluminium and lead were also easier. Cash zinc fell by £14.5 to £694.5 a tonne as the scarcity of spot supplies appeared to ease and there were sustained profit-taking sales.

Copper and nickel defied the general downward trend. Higher grade cash copper gained £5 to £1,030 a tonne, and cash nickel £35 to £3,240 a tonne. In the U.S., Copper Range increased its domestic selling price for copper by 2 cents to 74 cents a pound.

● **BOARD** of the International Petroleum Exchange of London endorsed in principle the introduction of a cash settlement for crude oil futures which will permit delivery of Brent Blend to be made at Sullom Voe to enable sellers and buyers to make suitable matching arrangements, with cash settlements as the alternative.

● **BURMA'S** paddy production in this fiscal year is expected to rise to 14.8m tonnes from 14.5m tonnes the previous year, Mr Maung Maung Kha, Prime Minister, said.

● **BANGLADESH** expects a food grain reserve of 1m tonnes, much of its imported, by the end of 1984. Mr Adbul Gaffar Mahmood, Food Minister, said.

● **INDIA** exported 209m kilos of tea in 1983, up from 190m kilos in 1982, Mr N. R. Laskar, Commerce Minister, said.

● **SWINE FEVER** (hog cholera) outbreaks were reported in Austria's western province of Virarlberg in Feldkirch district.

Minor metals take off on a giddy price spiral

By David S. Gilbertson, Non-Ferrous Metals Editor, Metal Bulletin

IN A whirlwind of trading activity the prices of a number of the key minor metals have risen headily in two weeks.

Each of the metals involved has its own self-supporting bull factors, but it is quite clear that the general improvement has encouraged speculators and investors (as well as traders) to spread their attention through the minor metal range. Prices have climbed dramatically across the board.

On a number of occasions during the recession minor metals prices have moved sharply upward (most notably in the first quarter of last year) but each time the lack of sufficient follow-through, in the form of greater consumption to support the higher prices, saw the markets ultimately give back most of the gains they had recorded.

The optimism that this time the gains can be sustained stems chiefly from the higher consumption levels resulting from the general economic upturn. This, coupled with continued restrictions on supply from numerous mine producers who are still far from satisfied with prevailing price levels for many major metals as well their by-products, is creating an encouraging fundamental picture for most of the minor metals.

Producer and merchant stocks in many areas are depleting fast, so the climate is set fair for a sentiment-driven price spiral.

Star performers among the minor metals in recent weeks have been cobalt, antimony, cadmium and selenium; with manganese metal, bismuth, vanadium and, in the past few days, molybdenum and tungsten also looking distinctly brighter. In markets where merchants play such a prominent role as suppliers, it is frequently difficult to distinguish between underlying industrial strength and sentimental enthusiasm. The present clamour is proving no exception. Cobalt provides a suitable case in point.

Demand for cobalt has not increased materially in the past six months, but prices have escalated from around $5.50 per pound to around $12.50 earlier this week. One major contribution to the rise has been the success recorded by Zaire, the world's largest producer, in stemming the flow of low-priced material from its borders.

This back-door metal has previously proved a significant source of supply for free market sellers. With this material no longer coming through, and with many of the smaller cobalt producers curtailing output in the last recession, the merchant houses have had to scramble for cobalt and have thrown up ever-higher prices in their inter-merchant transactions. Consumers have been obliged to meet the higher asking prices when they enter the market.

Antimony, meantime, looks perhaps even better placed from a fundamental viewpoint. Supplies of antimony metal from China — traditionally a big supplier to the free market — have dried up progressively in recent months as China baulked at persisting low prices on offer in a number of metal markets — tungsten, vanadium, manganese and silicon, among others.

With apparently little material in merchant hands and at least two dealers caught out lately by defaulted shipments from Hong Kong, availability of material to meet rising consumption has been limited.

As the economic recovery continues, demand for antimony units in batteries, paints and plastics has improved significantly from the recessionary doldrums. Additional demand from the East bloc and from Iran (both have also found China unwilling or unable to supply) has helped further steel merchant resolve. Quoted at around $2,500 per tonne at the beginning of the year, antimony metal was trading almost $1,000 higher earlier this week.

Cadmium and selenium are also looking significantly firmer on the strength of renewed speculative interest and supply side restrictions. U.S. producers appear well sold, China is reluctant to ship cadmium and there has been severe reduction in exports from Japan. Selenium, too, is no longer readily available from Japan, where cutbacks in copper production have hit by-product selenium output and U.S. producers report they are sold out. Cadmium has risen to around $1.70 a pound from 90 cents at the start of the year while commercial grade selenium has progressed to over $8 a pound from under $5.

Taken together, the minor metals are being buoyed by a number of influences. The overall economic turn-up is promoting demand. The decline of the dollar has loosened funds long invested in that currency. Suppliers are still reluctant to release material at present low prices and private investors consider most minor metals are historically under-valued.

Farmers attack milk quota

BY JAMIE BUCHAN IN BONN

THE usually placid West German farmers were little short of furious at Monday night's decision by European Community farm ministers to seek to impose quotas on milk production and start dismantling the system of border levies which protects German farm export earnings from D-mark appreciation.

While Herr Gerhard Stoltenberg, the Finance Minister, welcomed the unexpected agreement as "an important partial result" for the community's pressing problems, farmers meeting near Bonn claimed they were being victimised.

Delegates from among the 300 farmers at the special meeting bitterly attacked the Bonn government and Baron Constantin Heereman, president of their own federation, for failing to protect the interests of West German agriculture.

Herr Ignaz Kiechle, the Bonn Agriculture Minister, who rejected farmers' calls for him to attend the meeting, warned on television that milk producers had to accept the cuts in return for the maintenance of a system that guarantees prices and markets.

The farmers demanded a price increase of least 3 per cent above inflation for the 1984-85 farm year.

Sugar exports authorised

THE EEC Commision authorised subsidies for the export of another 46,850 tonnes of white sugar and 16,000 tonnes of raw at its weekly tender in Brussels yesterday.

The allotment, a little lower than at last week's tender, was in line with expectations and had no market impact,

The maximum export rebate on the white sugar was 40.089 European currency units per 100 kilos against last week's Ecu 40.928. The lower rebate reflected the rise in international sugar prices over the past week, dealers said. The August position on the London futures market closed yesterday at $198.30 a tonne,

Cocoa pact talks extended

BY OUR COMMODITIES EDITOR

The preparatory talks on negotiations for a new International Cocoa Agreement are likely to continue all next week, in spite of the EEC foreign ministers' approval of a common position for the Community, it was claimed in London yesterday.

Originally the talks, which are aimed at paving the way for a full negotiating conference in Geneva from May 7 to 25, were scheduled to last for the first two days of this week. But they have been extended to give more time.

The EEC wants a new pact to rely primarily on a buffer stock of 250,000 tonnes to stabilise prices, but is also prepared to allow the use of export quotas, providing all major producing countries join and provisions are made to avoid a two-tier market being created resulting in lower prices in non-member countries.

On the London cocoa futures market yesterday prices fluctuated wildly. The March position gained £28 to £1,728 a tonne, but the May position closed only £4 up at £1,766.5 after reaching £1,795 at one stage. The downturn followed reported selling by West African producers.

The Ghana Cocoa Marketing Board announced that it purchased 1,394 tonnes of cocoa from growers in the 15th week of the 1983/84 main crop season. Cumulative purchases for the season to date total 149,748 tonnes.

PRICE CHANGES

In tonnes unless stated otherwise	Mar. 14 1984	+ or —	Month ago
Metals			
Aluminium	£1100	......	£1100
Free Mkt	$1520/1550	—5	$1540/575
Copper			
Cash h Grade	£1030	+5	£1000.5
3 mths	£1047.75	+4	£1019.25
Cash Cathode	£1025.5	+9	£988
3 mths	£1039	+6.5	£1008
Gold troy oz.	$399.5	+1.75	$384.75
Lead Cash	£308.5	—1.25	£285.25
3 mths	£314.12	—2.88	£293.25
Nickel	£4836	......	£5025.64
Free Mkt	212/232c	+4	205/225c
Palladium oz.	$160.50	—0.25	$158.00
Platinum oz.	£273.65	—1.25	£269.80
Quicksilver†	$295/310	+7.5	$290/300
Silver troy oz.	668.60p	+1.30	627.45p
3 mths	683.15p	+1.40	641.45p
Tin cash	£8530	—95	£8515
3 months	£8657.5	—75.5	£8650.5
Tungsten	$75.59	......	$77.08
Wolfram22.04lb	$83/86	+2	$75/78
Zinc	£694.5	—14.5	£693
3mths	£677.25	—4.25	£687.25
Producers	$1,060	......	$1050

	Mar. 14 1984	+ or —	Month ago
Oils			
Coconut (Phil)	$1190w	—30	$1215
Groundnut	‡	......	$1025
Linseed Crude	‡	......	£428
Palm Malayan	$760z	......	$685
Seeds			
Copra Phil	$745v	—5	$755
Soyabean(U.S.)	$321.5	—0.2	$287.70
Grains			
Barley Fut. May	£123.00	—0.25	£119.85
Maize	£147.50	......	£147.00
Wheat Fut. May	£127.60	—0.45	£123.75
No2 Hard Wint	‡	......	‡
Other commodities			
Cocoa ship't*	£1818	+29	£1893
Futures May	£1766.5	+4	£1831.5
Coffee Ft. May	£1927.5	—15	£1952
Cotton A index	88.65c	......	86.60c
Gas Oil Apr	$245.75	—1.25	$240.5
Rubber (kilo)	80.25p	—0.75	84.5p
Sugar (raw)	£115w	+3	£117.5
Woolt'ps 64s	465pkilo	......	474pkilo

‡ Unquoted. u April. x May. z June. v April-May. w March-April. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

The American Petroleum Institute figures and a weaker dollar encouraged some buying in the gas oil market on the opening. This quickly dried up and renewed selling lowered the market. New York initially failed to make the higher levels and London continued on its downward trend. Physical prices encouraged the market to fall to further lows during the early afternoon, but towards the close it rallied, reports Premier Man.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.55-28.70	—0.03
Iranian Light	27.70-27.80	—
Arab Heavy	26.75-26.80	—0.05
North Sea (Forties)	30.00-30.20	+0.05
North Sea (Brent)	29.98-30.10	—0.08
African(BonnyLi'ht)	29.80-30.15	—
PRODUCTS—North West Europe ($ per tonne)		
Premium gasoline	285-291	—0.5
Gas Oil	256-252	—2
Heavy fuel oil	180-184	+2

CRUDE OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per brl		
Apr	31.10	—	—
May	30.75	+0.10	—
June	30.60	—0.15	—
July	30.50	+0.85	—
Aug	30.50	—	—
Sept	30.50	—	—

Turnover: 0 (9) lots of 1,000 barrels.

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Mar.	250.50	—1.50	251.75-248.7
April	246.75	—1.45	248.00-245.7
May	245.50	—0.25	247.00-244.2
June	245.00	—0.50	246.50-244.8
July	245.50	—0.50	247.25-244.5
Aug.	246.75	—1.50	249.80-246.7
Sept.	249.50	—0.75	251.25-249.5
Oct.	252.50	—0.50	—
Nov	253.75	—1.25	—

Turnover: 1,994 (977) lots of 100 tonnes.

GOLD MARKETS

Gold rose $1¾ an ounce from Tuesday's close in the London bullion market yesterday to finish at $399¼-399¾. The metal opened at $400-400½ and traded between a high of $401-401½ and a low of $399-399½. The firmer trend was mostly a reflection of the dollar's softer tone.

In Paris the 12½ kilo bar was fixed at FFr 101,300 per kilo ($401.14 per ounce) in the afternoon compared with FFr 101,200 ($399.80) in the morning and FFr 102,000 ($397.56) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 32,930 ($401.48 per ounce) against DM 33,205 ($398.51) and closed at $399½-400 from $397-397½.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar at the fixing was $400.50 from $397.25.

In Zurich gold finished at $399½-400 from $397½-398.

LONDON FUTURES

Month	Yest'days close	+ or —	Business Done
	$ per troy ounce		
March	399.80-01.80	+2.50	—
April	401.30-01.40	+1.85	403.50-01.20
June	408.00-08.80	+2.00	410.00-08.30
Aug	415.00-15.80	+2.25	—
Oct.	422.70-23.00	+2.85	423.50
Dec	430.80-31.80	+3.00	—

Turnover: 405 (342) lots of 100 troy ounces.

	Mar. 14		Mar. 13	
Gold Bullion (fine ounce)				
Close	$399¼-399¾	(£270½-271)	$397½-398	(£271-271½)
Opening	$400-400½	(£271-271½)	$396½-397	(£272¼-272¾)
Morning fixing	$400	(£270.911)	$397.50	(£272.915)
Afternoon fixing	$399.75	(£270.742)	$397.25	(£271.551)

Gold and Platinum Coins Mar. 14

Krugrnd	$407¼-408	(£277¼-278)	King Sov	$94-95½	(£63¾-64¾)
½ Krug.	$210-210¾	(£143-143½)	Victoria Sov	$94-95½	(£63¾-64¾)
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

EUROPEAN MARKETS

ROTTERDAM, March 14.

Wheat—(U.S. $ per tonne): U.S. No. 2 Soft Red Winter: April 161, May 162, June 10/July 10 151. U.S. No. 2 Northern Spring, 14 per cent protein: April/May 179, May 179, June 178, July 178, Aug 172.50, Sept 170, Oct 173, Nov 175.75. U.S. No. 3 Hard Amber Durum: April/May 193.50, June 193, July 191.50, Aug 187, Sept 180, Oct 181.50, Nov 183. Canadian No. 1 Western Amber Durum: April/May 207, June 208, Nov 200.

Maize—(U.S. $ per tonne): U.S. No. 3 Yellow: March 180, April 180, May 180.50, June 180.50, July/Sept 157.50, Oct/Dec 137, sellers. Argentine, Plate: Afloat 163, April 156, May 155, June 155 sellers.

Soyabeans—(U.S. $ per tonne): U.S. No. 2 Yellow Gulfport: March 315.50, April 314, May 314, June 314.25, July 315.25, Aug 314.50, Sept 302, Oct 282.50, Nov 262.50, Dec 265, Jan 269, Feb 293.75, sellers.

Soyameal—(U.S. $ per tonne), 44 per cent: Afloat 235 to 232 (depending on position).

BRITISH COMMODITY PRICES

BASE METALS

BASE-METAL PRICES displayed a generally easier bias on the London Metal Exchange. Copper continued to attract active trading and touched a high of £1,049 before reacting to stop-loss selling and ending at £1,042.5. Lead, up to £318 in the early business, dipped to £312 before trade support prompted a slight rally to a close of £313.5. Zinc closed the late Karb at £674 with the backwardation falling to £18, while Aluminium finished at £1,027 and Tin at £8,672.5. Nickel bucked the trend, touching £3,330 on rumoured trade support before settling at £3,295.

COPPER

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,028, 28.50, three months £1,044.50, 44, 45, 45.50. Cathodes: Cash £1,030, 29, 28, 28.50, three months £1,038. Kerb: Higher Grade: Three months £1,047, 48, 49, 49.50, 49, 48.50, 48. Afternoon: Higher Grade: Three months £1,047, 46.50, 46, 46.50, 48, 47.50, 48. Kerb: Higher Grade: Three months £1,047, 46, 45.50, 45, 46, 45, 44, 43, 44, 44.50, 44, 43.50, 43. Turnover: 48,500 tonnes. U.S. Producers: 72-76 cents per pound.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
HighGrde	£	£	£	£
Cash	1028.5-9	+10	1029.5-30.5	+6
3 months	1045.5-6	+8	1047.5-8	+4
Settlem't	1029	+10	—	—
Cathodes				
Cash	1028.5-9	+21.2	1024-7	+9
3 months	1037.5-8.5	+11.5	1038-40	+6.5
Settlem't.	1029	+21	—	......

TIN

Tin — Morning: Standard: Cash £8,550, three months £8,680, 60, 65, 70, 75, 70, 65, 60. High Grade: Cash £8,550. Kerb: Standard: Three months £8,660, 50, 40. Afternoon: Standard: Three months £8,650, 55, 60, 55, 50, 55. Kerb: Standard: Three months £8,660, 65, 70. Turnover: 3,150 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8550-5	—85	8545-55	—75
3 months	8670-80	—95	8675-85	—75
Settlem't.	8555	—85	—	......
Standard.				
Cash	8545-50	—90	8525-35	—95
3 months	8655-60	—93	8655-60	—75.5
Settlem't.	8550	—90	—	[illegible]
Straits E.	$39.15	[illegible]	—	[illegible]

LEAD

Lead—Morning: Cash £308.50, 09.50, three months £315, 15.50, 16, 17, 16.50, 16, 15.50, 15, 15.50, 16. Kerb: Three months £316. Afternoon: Three months £315.50, 15, 14, 15, 14.50. Kerb: Three months £314, 313, 12, 13, 14. Turnover: 10,225 tonnes. U.S. Spot: 25-28 cents per pound.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Cash	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]
Settlem't	[illegible]	[illegible]	[illegible]	[illegible]

ZINC

Zinc—Morning: Three months £686, 85.60, 86, 84.50, 84, 83, 78, 77, 78. Kerb: Three months [illegible]. Afternoon: Cash [illegible], three months [illegible], 79, 77, 78, 77.50, 77. Kerb: Three months [illegible]. Turnover: [illegible] tonnes. U.S. Prime Western: [illegible] cents per pound.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Cash	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]
Settlem't	[illegible]	[illegible]	[illegible]	[illegible]

ALUMINIUM

Aluminium—Morning: Three months [illegible]. Kerb: Three months [illegible]. Afternoon: Three months [illegible]. Kerb: Three months [illegible]. Turnover: [illegible] tonnes.

Aluminium	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]

NICKEL

Nickel — Morning: Three months £3,310, 15, 19, 15, 05, 10. Kerb: Three months £3,305, 10. Afternoon: Three months £3,310, 3,295, 90, 3,300, 3,305. Kerb: Three months £3,310. Turnover: 1,572 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3241-7	+9	3235-45	+35
3 months	3305-10	+5	3300-10	+32.5

SILVER

Silver was fixed 1.3p an ounce higher for spot delivery in the London bullion market yesterday at 668.6p U.S. equivalents of the fixing levels were: spot $9.872, up 12.3c; three-month $10.127, up 12.7c; six-month $10.395, up 13.4c; and 12-month $10.97, up 14c. The metal opened at 665½-668½p ($9.82-9.85) and closed at 665-668p ($9.81-9.84).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	668.60p	+1.30	661.5p	—5
3 months	683.15p	+1.40	676.25p	—5.25
6 months	697.75p	+1.50	—	......
12months	728.10p	+0.65	—	......

LME—Silver (2,000 oz contract): cash 661.5p (666.5p): three months 676.25p (681.5p). Turnover: nil (nil).

Turnover: 212 (121) lots of 10,000 oz. Morning: Large three months 684.5. Kerb: Large three months 684.5. Afternoon: Large three months 677.0, 76.5. Kerb: Large three months 677.0, 75.0, 73.0, 70.0, 68.0, 67.0, 70.0, 71.0.

COCOA

Futures remained quietly steady throughout the day until the close when stop-loss selling pared the earlier gains. Physical business remained neglected, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
March	1764-60	+29.0	1762-65
May	1766-67	+4.0	1795-65
July	1768-71	—12.0	1793-65
Sept.	1768-70	—6.0	1785-64
Dec.	1758-60	—4.5	1785-50
March	1752-60	—1.5	1769-58
May	1750-55	—4.0	—

Sales: 7,023 (6,522) lots of 10 tonnes.

ICCO indicator prices (U.S. cents per pound). Daily prices for March 13: 115.57 (111.50); five-day average for March 14: 111.83 (111.09).

COFFEE

Following a quietly steady morning session, the option picked up during a busy afternoon, reports Drexel Burnham Lambert. From the highs in the early afternoon general commission house selling prompted stop-loss activity and, further depressed by a weaker New York, prices declined to the lows.

COFFEE	Yesterday's Close	+ or —	Business Done
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]
Nov	[illegible]	[illegible]	[illegible]
January	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]

Sales: [illegible] lots of 5 tonnes.

ICO indicator prices (U.S. cents per pound) for March 13: [illegible]. 15-day average [illegible].

GRAINS

Old crops opened 50-55p up on a firm physical market. Trade was active at these levels until profit-taking eased values slightly. In the afternoon buyers evaporated and shipper selling depressed the market. New crops gained 40-45p in the morning but these were eroded, reports Muirpace.

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yest'rd'ys close	+ or —
Mar.	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	—	—
Sept.	[illegible]	[illegible]	[illegible]	[illegible]
Nov.	[illegible]	[illegible]	[illegible]	[illegible]
Jan.	[illegible]	[illegible]	[illegible]	[illegible]

Business done—Wheat: March [illegible]. Sales: [illegible] lots of 100 tonnes. Barley: [illegible]. Sales: [illegible] lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Feed barley: E. Midlands 120.80, Scotland 119.10. The UK monetary coefficient for the week beginning Monday, March 19, is expected to be 0.963.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1, 14 per cent: Apr/May 133, June 131.75, July 130.75, sellers, transhipment East Coast. English Feed, fob: May 130 paid, May/June 131. June 131 sellers East Coast. Maize: French: 2nd half March 147.50 seller East Coast. Barley: English Feed, fob: April/June 127.75 bid East Coast. Rest unquoted.

POTATOES

The market was erratic following movements on Amsterdam which was initially weaker but recovered somewhat during the day, reports Coley and Harper.

Month	Yesterdy's close	Previous close	Business Done
	£ per tonne		
April	207.30	208.50	208.80-204.0
May	255.50	255.30	258.50-249.5
Nov	74.70	75.50	76.80-74.00
Feb	85.00	86.30	—
April	100.80	102.60	101.80-100.8

Sales: 964 (815) lots of 40 tonnes.

RUBBER

The London physical market opened slightly easier, drifted lower throughout the day and closed dull and slightly easier, reports Lewis and Peat. The Kuala Lumpur April fob price for RSS No 1 was 264.5 (264.25) cents a kg and for SMR 20 239.5 (239.0).

Table table table table table — —

No. 1 R.S.S.	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Apr.	780-810	800-835	—
May	800-810	800-840	—
Apl-Jne.	801-808	817-818	806-799
Jly-Sept	843-844	856-858	847-842
Oct-Dec	863-866	876-877	866-864
JanMch	877-890	895-897	—
Apl-Jne.	892-910	910-920	—
Jly-Sept	915-925	925-939	—
Oct-Dec	933-950	945-970	—

Sales: 36 (61) lots of 15 tonnes.

Physical closing prices (buyers) spot 80.25p (81.00p). April 83.25p (84.00p), May 84.50p (85.25p).

SOYABEAN MEAL

The market opened 50p lower and continued to ease in thin trade, reports T. G. Roddick.

	Yesterday's close	+ or —	Business Done
	£ per tonne		
April	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]
August	[illegible]	[illegible]	[illegible]
October	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]

Sales: 40 (27) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £115.00 (£116.50) [illegible] a tonne for March-April delivery. White sugar [illegible]. The market eased about $1.00 from overnight levels and although prices lifted later the higher levels were not held, reports C. Czarnikow.

No. 4 Contract	Yesterday's close	Previous close	Business Done
	$ per tonne		
May	[illegible]	[illegible]	[illegible]

No. 6 Contract	$ per tonne		
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]

Sales: No. 4 110 (168); No. 6 2,935 (5,475) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £220.25 (£218.00) a tonne for export.

International Sugar Agreement—(U.S. cents per pound fob and stowed Caribbean ports). Prices for March 13: Daily price 6.51 (6.57): 15-day average 6.36 (6.36).

MEAT/FISH

MEAT COMMISSION — Average fatstock prices at representative markets. GB—Cattle 97.85p a kg lw (+1.24). GB—Sheep 199.28p a kg est. dcw (−3.00). GB—Pigs 83.54p a kg lw (−0.84).

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 77.0 to 83.0. Veal—Dutch hinds and ends 125.0 to 129.0. Lamb—English small 80.0 to 88.0, medium 80.0 to 86.0, heavy 78.0 to 82.0; Imported: New Zealand PL 58.8 to 60.0, PX 56.0 to 57.0. Pork—English under 100 lb 51.5 to 58.5, 100-120 lb 54.5 to 57.0, 120-160 lb 48.0 to 53.0.

GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.00-£5.00, codling £3.60-£4.20; medium plaice £4.50, best small £3.80-£5.00; lemon soles (large) £11.60, (small) £8.40.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package unless otherwise stated. English produce: Apples — Per pound Cox's 0.18-0.32, Ida Red 0.14-0.16, Golden Delicious 0.10-0.12, Bramley 0.17-0.24, Laxton 0.12-0.15. Pears — Per pound Comice 0.18-0.24, Conference 0.09-0.20. Potatoes — Whites 4.80-5.40, Edwards 5.60-6.00, Bakers 7.00-8.50; New Isle of Wight per pound 1.00. Mushrooms—Per pound open 0.50-0.60, closed 0.75-0.85. Lettuce — Per tray round 1.00-1.60. Onions—Per 56 lb 6.50-7.40. Cabbages—Per 25 lb Celtic 2.60-2.80, Jan King 3.00-3.20. Beetroots—28 lb round 1.80-2.00, long 2.60-2.80. Turnips—28 lb 2.00-2.50. Swedes — 28 lb 1.20-1.50. Sprouts—Per pound 0.14-0.18. Carrots—28 lb 1.80-2.80. Greens—30 lb Kent 5.00-5.50; 40 lb Cornish 7.00-7.50. Parsnips—28 lb 2.40-2.60. Leeks—Per pound 0.17-0.20. Rhubarb—Per pound 0.30-0.32, outdoor 0.24-0.25. Tomatoes Per pound 0.40-0.50. Cucumbers—Tray 4.80-5.60.

Imported produce: Uglifruit — Jamaican: 7.50-12.00. Ortaniques — Jamaican: 4.60-5.40. Minneolas—Jaffa: 12 kg 4.60-5.70; U.S.: approx 14 kg 8.00-8.50. Temples—Jaffa: 5.20. Murcot 5.50. Satsumas — Spania: 3.20-3.50.

INDICES

FINANCIAL TIMES

Mar. 14	Mar. 13	M'th ago	Y'ar ago
301.27	301.12	291.19	262.14

(Base: July 1 1952=100)

REUTERS

Mar. 14	Mar. 13	M'th ago	Y'ar ago
1967.8	1969.6	1985.0	1716.0

(Base: September 18 1931=100)

MOODY'S

Mar. 13	Mar. 12	M'th ago	Y'ar ago
1068.8	1067.1	1064.9	1029.9

(Base: December 31 1931=100)

DOW JONES

Dow Jones	Mar. 13	Mar. 12	Month ago	Year ago
Spot	141.53	141.99	137.86	135.57
Fut	144.45	146.46	139.44	136.66

(Base: December 31 1974=100)

Wilkings — Spania: 4.00-4.60. Kara — Spania: 4.00-4.50. Clementines—Spania: [illegible]. Oranges—Spania: [illegible]; Moroccan: [illegible]; Jaffa: Shamoutis [illegible].

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. [illegible]. Sales: 22.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. [illegible]. Sales: 78.

HIDES

HIDES—Manchester, Leeds (Birmingham). Second clears. Ox: 31-35.5 kg, 107.2p a kg, 107.0p withdrawn (113.5p); 26-30.5 kg, 117.0p a kg withdrawn; [illegible]; 22-25.5 kg, [illegible]. Cows: 25.5 kg, [illegible].

COTTON

LIVERPOOL—Spot and shipment sales amounted to 350 tonnes. Orders were more extensive and business was on useful lines. Purchases ranged over numerous qualities, mainly African, with some interest shown in Russian and Middle Eastern styles.

AMERICAN MARKETS

NEW YORK, March 14

Copper prices opened steady to strong but eroded slowly on the weaker currencies and finished moderately lower, reports Heinold Commodities. Aluminium prices closed under heavy pressure as arbitrage selling carried prices sharply lower. Sugar suffered a major setback as prices ran into heavy technical resistance and subsequent technical selling touched off stop-loss orders. Precious metals performed strongly most of the day but the weakness in currencies changed the psychology forcing prices moderately lower on the close. Cotton prices were fractionally lower in a featureless market as the trade was awaiting some indications on export sales. Cocoa prices tried to rally on bullish weather news from Brazil but arbitrage activity against sterling [illegible].

NEW YORK

ALUMINIUM 40,000 lbs, cents/lb

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]

COFFEE "C" 37,500 lb, cents/lb

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]

COTTON 50,000 lb, cents/lb

	Latest	High	Low	Prev
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

[illegible]

GOLD 100 troy oz, $/troy oz

[illegible]

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

[illegible]

ORANGE JUICE 15,000 lb, cents/lb

[illegible]

PLATINUM 50 troy oz, $/troy oz

[illegible]

SILVER 5,000 troy oz, cents/troy oz

[illegible]

SUGAR WORLD "11" 112,000 lb, cents/lb

[illegible]

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

[illegible]

LIVE HOGS 30,000 lb, cents/lb

[illegible]

MAIZE 5,000 bu min, cents/56-lb bushel

[illegible]

PORK BELLIES 38,000 lb, cents/lb

[illegible]

SOYABEANS 5,000 bu min, cents/60-lb bushel

[illegible]

SOYABEAN MEAL 100 tons, $/ton

[illegible]

SOYABEAN OIL 60,000 lb, cents/lb

[illegible]

WHEAT 5,000 bu min, cents/60-lb bushel

[illegible]

SPOT PRICES—Chicago loose lard [illegible] cents per pound. [illegible]

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar recovers from weak start

The dollar recovered from a very weak start on the foreign exchanges yesterday, and although it finished lower on the day in London the U.S. currency was soon above Tuesday's European closing levels in New York as U.S. dealers continued to chase the dollar higher. Dealers in London were at a loss to understand the sudden attraction of the dollar for U.S. traders after the weaker tone of late, but suggested it may have resulted from demand on the International Monetary Market in Chicago.

Earlier in the day the unexpected fall in U.S. February retail sales encouraged dollar sellers back into the market, while President Reagan's comment that he had little faith in the bi-partisan attempts of Congress to cut the budget deficit depressed the currency to the early levels of last week, when the dollar touched an eight-month low against the D-mark.

It tested the chart resistance level of DM 2.55 in the morning, falling to a low of DM 2.5410, but rose sharply towards the close to finish at the day's peak of DM 2.5670, compared with DM 2.5715 previously.

The dollar also fell to FFr 7.84 against the French franc, before closing at FFr 7.9150, against FFr 7.9225, and after losing ground to the Swiss franc and Japanese yen finished at SwFr 2.1265 compared with SwFr 2.1230, and at Y224 against Y223.10.

STERLING — Trading range against the dollar in 1983-84 is 1.6345 to 1.3955. February average 1.4409. Trade-weighted index 81.1, against 81.1 at noon, 81.2 at the opening, 80.9 the previous close, and 84.8 six months ago.

Sterling weakened against the dollar after the final Bank of England trade-weighted figure had been calculated, and the pound closed weaker on the day against most major currencies. This followed a cut in London clearing bank base rates, although sterling had a reasonably firm undertone for most of the day because of favourable reaction to the Budget. The pound opened at $1.4765-1.4775, and traded within a range of $1.4655-1.4795 before closing at $1.4665-1.4675, a fall of 20 points on the day. Sterling also fell to DM 3.7675 from DM 3.78, and to FFr 11.6075 from FFr 11.6350, but improved slightly to SwFr 3.1225 from SwFr 3.12, and to Y328.75 from Y328.

D-MARK — Trading range against the dollar in 1983-84 is 2.8425 to 2.3320. February average 2.7000. Trade weighted index 128.4 against 125.6.

The dollar fell sharply against the D-mark in Frankfurt yesterday, having failed to improve on a short lived rally earlier in the week. It was fixed at DM 2.5484 down from DM 2.5904 on Tuesday and there was no intervention by the Bundesbank. Attempts at a rally proved abortive as confidence waned in the U.S. unit. Much of the uncertainty stems from concern over the U.S. Presidential elections later this year. Sterling was lower at DM 3.7630 from DM 3.7800 and the Swiss franc eased to DM 1.2065 from DM 1.2102. Within the EMS the Belgian franc was unchanged at DM 4.8870 per BFr 100 but the French franc slipped to DM 32.43 per FFr 100 from DM 32.455.

BELGIAN FRANC—Trading range against the dollar in 1983-84 is 57.91 to 45.90. February average 55.30. Trade weighted index 91.1 against 90.8 six months ago.

The Belgian National bank spent the equivalent of BFr 11.2bn in the week ending March 12 in support of the Belgian franc.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 14	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	45.6210	+1.60	+1.56	±1.5447
Danish Krone ...	8.14104	8.17137	+0.37	+0.33	±1.6425
German D-Mark	2.24184	2.22986	−0.53	−0.57	±1.0642
French Franc ...	6.87456	6.87408	+0.01	−0.03	±1.4052
Dutch Guilder ...	2.52595	2.52013	−0.23	−0.27	±1.4964
Irish Punt	0.72569	0.729153	+0.48	+0.44	±1.6690
Italian Lira	1403.49	1387.21	−1.16	−1.16	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ in New York latest

	March 14	Prev. close
Spot	$1.4665-4650	$1.4715-4725
1 month	0.16-0.19 dis	0.15-0.17 dis
3 months	0.60-0.64 dis	0.58-0.62 dis
12 months	2.98-3.05 dis	2.82-2.87 dis

£ forward rates are quoted in U.S. cents discount.

THE DOLLAR SPOT AND FORWARD

March 14	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	[illegible]	[illegible]1.4675	0.16-0.21c dis	−1.51	0.60-0.65dis	−1.70
Ireland†	[illegible]	[illegible]1.1885	0.20-0.17c pm	1.85	0.74-0.67 pm	2.35
Canada	[illegible]	[illegible]1.2760	par-0.03c dis	−0.14	0.04-0.07dis	−0.17
Nethlnd.	[illegible]	[illegible]2.9000	1.04-0.94c pm	4.13	3.18-3.08 pm	4.35
Belgium	[illegible]	[illegible]2.40	17½-19½c dis	−4.26	39-41 dis	−3.07
Denmark	[illegible]	[illegible]8.4150	par-½ore dis	−0.32	0.40pm-0.10d	0.06
W. Ger.	[illegible]	[illegible]2.5675	1.00-0.95pf pm	4.59	3.12-3.07 pm	4.80

†UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 54.35-54.45.

THE POUND SPOT AND FORWARD

March 14	Day's spread	Close	One month
U.S.	1.4655-1.4795	1.4665-1.4675	0.16-0.21c dis
Canada	1.8660-1.8810	1.8670-1.8680	0.20-0.30c dis
Nethlnd.	4.23½-4.26½	4.25-4.26	1¼-⅞c pm
Belgium	76.75-77.25	76.95-77.05	29-38c dis
Denmark	13.75-13.83	13.80-13.81	2⅞-3⅞ore dis
Ireland	1.2275-1.2360	1.2300-1.2310	0.30-0.36p dis
W. Ger.	3.75-3.78	3.76¾-3.77¾	1¼-⅛pf pm

Belgian rate is for convertible francs. Financial franc 78.20-78.40. Six-month forward dollar 1.33-1.38c dis, 12-month 2.98-3.05c dis.

OTHER CURRENCIES

Mar. 14	£	$		£ Note Rates
Hong Kong Dollar	11.492-11.502	7.7865-7.7885	Italy	2315-2350
Iran Rial	126.00*	86.30*	Japan	327-332
Kuwait Dinar (KD)	0.4305-0.4310	0.2917-0.2918	Netherlands	4.23-4.27
Luxembourg Fr.	76.95-77.05	52.47-52.49	Norway	10.88-10.99
Malaysia Dollar	3.3530-3.3620	2.2750-2.2770	Portugal	188-199
New Zealand Dlr.	2.1845-2.1865	1.4855-1.4870	Spain	212-223
Saudi Arab. Riyal	5.1805-5.1860	3.5100-3.5110	Sweden	11.21-11.32
Singapore Dollar	3.0570-3.0650	2.0740-2.0750	Switzerland	3.11-3.14
Sth African Rand	1.7685-1.7690	1.2035-1.2060	United States	1.46¾-1.48¾
U.A.E. Dirham	5.4195-5.4250	3.6720-3.6730	Yugoslavia	185-195

*Selling rates.

CURRENCY MOVEMENTS

Mar. 14	Bank of England Index	Morgan Guaranty Changes %
Belgian franc	91.1	−10.3
Danish kroner	80.2	−5.0
Deutsche mark	128.4	+9.0
Swiss franc	150.1	+11.6
Guilder	116.8	+5.8
French franc	67.5	−14.7
Lira	49.0	−12.5
Yen	159.7	+14.9

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

March 14	Bank rate %	Special Drawing Rights	European Currency Unit
D'mark	4	2.73206	2.22995
Guilder	5	3.08595	2.52013
French Fr.	9½	8.42087	6.87498
Lira	16	1669.85	1387.21
Yen	5	239.393	194.721
Norwgn Kr.	8	7.94618	6.47670
Spanish Pta.	—	158.235	129.245
Swedish Kr.	8½	8.17969	6.68547
Swiss Fr.	4	2.26443	1.84891
Greek Dr'ch	20½	109.189	88.5940

* C$/SDR rate for March 13: 1.35120.

EXCHANGE CROSS RATES

Mar. 14	Pound St'rling	U.S. Dollar	Deutsche m'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.467	3.768	328.8	11.608	3.123	4.255	2340.	1.868	77.00
U.S. Dollar	0.682	1.	2.567	224.0	7.915	2.127	2.899	1595.	1.275	52.48
Deutschemark	0.265	0.389	1.	87.26	3.081	0.829	1.129	621.2	0.496	20.44
Japanese Yen 1,000	3.042	4.463	11.46	1000.	35.31	9.498	12.94	7118.	5.681	234.2
French Franc 10	0.862	1.264	3.246	283.2	10.	2.690	3.666	2016.	1.609	66.34
Swiss Franc	0.320	0.470	1.207	105.3	3.717	1.	1.363	749.4	0.598	24.66
Dutch Guilder	0.235	0.345	0.886	77.26	2.728	0.734	1.	549.9	0.439	18.10
Italian Lira 1,000	0.427	0.627	1.610	140.5	4.960	1.334	1.818	1000.	0.798	32.91
Canadian Dollar	0.535	0.785	2.017	176.0	6.215	1.672	2.278	1253.	1.	41.23
Belgian Franc 100	1.299	1.905	4.893	426.9	15.07	4.055	5.526	3039.	2.425	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Mar. 14	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	8¾-8⅞	9¾-10	9¾-10¼	6-6⅛	2-2¼	5⅞-5⅝	12¼-12½	15¾-16¾	11⅛-12⅛	11¾-12¼	6⅜-6⅝	11⅝-12⅛
7 days' notice	8¾-8⅞	9⅞-10⅛	9⅞-10⅛	6-6⅛	1⅞-2⅛	5⅜-5⅝	12⅛-12⅜	16¼-17¼	13-14½	12-12¼	6⅛-6⅞	11⅝-12⅛
Month	8¾-8⅞	10-10¼	10⅛-10⅞	6-6⅛	3¼-3⅝	5½-5⅝	14¾-15	16¾-17¼	13¾-14¼	11¾-12	6⅜-6¾	11⅛-11⅝
Three months	8¾-8⅞	10¼-10½	10⅜-10⅝	6⅛-6⅜	3⅜-3½	5⅜-5½	16-16¼	17⅝-17⅞	13-13½	11¾-12	6¼-6⅜	11-11½
Six months	8⅞-9	10⅝-10⅞	10⅝-10⅞	6½-6¾	3¾-3⅞	5½-5⅝	16-16¼	17⅝-18	12¾-13¼	11¾-12	6¼-6⅜	11-11½
One year	9⅛-9⅜	11⅛-11⅜	11⅛-11⅜	6⅝-6⅞	4⅛-4⅜	5⅝-5⅞	16-16¼	18-18½	12¼-12¾	11¾-12	6⅝-6⅞	11½-12

Asian $ (closing rates in Singapore). Short-term 9½-9⅝ per cent; seven days 9[illegible] per cent; one month 10-10⅛ per cent; three months 10¼-10⅜ per cent; six months 10[illegible] per cent; one year 11[illegible] per cent. Long-term Euro dollars two years 11¾-11⅞ per cent; three years 12⅛-12¼ per cent; four years 12¼-12⅜ per cent; five years 12⅝-12¾ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; two days' notice.

MONEY MARKETS

Further cut in base rates

Interest rates continued to decline on the London money market yesterday ahead of the cut in official dealing rates and the resulting reduction in base rates.

Interbank rates fell in early trading, and then remained steady, with three-month money falling to 8 11/16 per cent from 8 13/16 per cent, while discount houses buying rates for three-month bank bills remained at 8 11/32 per cent.

Clearing bank base rates were reduced as expected, following a favourable reaction to Tuesday's Budget statement. This appeared to leave further room for cuts in base rates after Barclays Bank lowered its rate by ¼ per cent to 8¾ per cent last week. National Westminster Bank was the first to post a base rate of 8½ per cent yesterday after the Bank of England cut its money market intervention rates by ¼ per cent in all four dealing bands.

The authorities initially forecast a money market shortage of £450m, but this was later revised to £550m, while the Bank of England provided total help of £618m during the day.

Bills maturing in official hands, repayment of late advances, and a take-up of Treasury bills from Friday's bill tender drained £419m, while the unwinding of repurchase agreements on bills absorbed £347m, and a rise in the note circulation another £75m.

These were partly offset by Exchequer transactions adding £360m to liquidity, including payment of £228m in block grant to local authorities and bank balances above target of £20m.

Before lunch the Bank of England bought £356m bills outright by way of £16m bank bills in band 1 (up to 14 days maturity) at 8 7/16 per cent; £137m bank bills in band 2 (15-33 days) at 8⅜ per cent; £33m bank bills in band 3 (34-63 days) at 8 5/16 per cent; £18m local authority bills in band 4 (64-91 days) at 8¼ per cent; and £152m bank bills in band 4 at 8¼ per cent.

In the afternoon another £92m bills were purchased outright through £32m bank bills in band 1 at 8 7/16 per cent; £5m Treasury bills in band 2 at 8⅜ per cent; £24m bank bills in band 2 at 8⅜ per cent; £5m local authority bills in band 3 at 8 5/16 per cent; £3m bank bills in band 3 at 8 5/16 per cent; and £23m bank bills in band 4 at 8¼ per cent. The authorities also gave late assistance of £170m to the market.

UK clearing banks' base lending rate 8½-8¾ per cent (since March 14)

MONEY RATES

Mar. 14	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.5-5.55	12⅛	1⅛-2⅛	5¾-6	6.40625	16⅞-17¼	12	—
One month	5.65-5.80	12⅜-12½	3⅛-3⅜	6-6⅛	6.40625	17-17⅜	11¾-12	12-12¼
Two months	5.65-5.80	12⅛-12⅜	—	—	—	—	—	12½-12⅝
Three months	5.70-5.85	12⅛-12⅝	3⅜-3½	6-6⅛	6.28125	17¼-17⅝	11⅞-12⅛	12¾-13
Six months	5.80-5.95	12⅝-12¾	—	6⅛-6¼	—	—	11⅞-12⅛	12⅞-13⅛
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	12	—	5⅞	—	—	—	—

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Mar. 14 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)
Overnight	—	6-9	8¾-9⅛	8-9	5-9	—
2 days notice	—	—	8⅞	—	—	—
7 days or	—	—	—	—	—	—
7 day notice	—	8¾-9¼	8⅞	8⅞	8½	—
One month	8 9/16-8 11/16	8¾-8 15/16	8 11/16	8⅞	8½	8 11/32
Two months	8 11/16-8 11/16	8¾-8⅞	8 11/16	8⅞	8½	8 11/32
Three months	8 9/16-8 11/16	8¾-8⅞	8 11/16	8⅞	8½	8⅜
Six months	8⅝-8¾	8½-9	8⅞-8 11/16	8½	—	—
Nine months	9-8⅞	8⅞-9⅛	9 1/16	—	—	—
One year	9 1/16-8 15/16	9-9 3/16	9 1/16-9⅛	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9¼-8⅞	—	8⅞	9.9-10	8 13/16-9 1/16	9 5/16-8⅞
Two months	9¼-8⅞	—	8⅞	10-10.10	9 1/16-9 5/16	9¼-9½
Three months	9¼-8⅞	—	8⅞	10.1-10.2	9⅛-9⅜	9 11/16-10
Six months	9⅛-8⅞	—	8⅞	10.45-10.55	9⅜-9⅝	9 11/16-10
Nine months	9⅜-9	—	9⅛	10.75-10.85	—	—
One year	9⅜-9	—	9¼	10.98-11.08	9 11/16-9 15/16	10 1/16-10⅜
Two years	—	9⅞	—	—	—	—
Three years	—	10	—	—	—	—
Four years	—	10⅛	—	—	—	—
Five years	—	10¼	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period February 8 to March 6 1984 (inclusive): 9.373 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 9½ per cent from March 1 1984. London and Scottish Clearing Bank Rates for lending 8½-8¾ per cent. London Deposit Rate for sums at seven days' notice 5¼-5½ per cent. Treasury Bills: Average tender rates of discount 8.4709 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9 per cent; one-three months 9 per cent; three-six months 9¼ per cent; six-12 months 9¼ per cent. Under £100,000 9¼ per cent from March 15. Deposits held under Series 4-5 9¼ per cent. The rate for all deposits withdrawn for cash 7 per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. March 14)

3 months U.S. dollars	
bid 10 1/4	offer 10 3/8
6 months U.S. dollars	
bid 10 9/16	offer 10 11/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate

Broker loan rate

Fed funds

Fed funds at intervention

Treasury Bills

One month

Two month

Three month

Six month

One year

Treasury Bonds

Two year

Three year

Four year

Five year

Seven year

10 year

30 year

FINANCIAL FUTURES

Prices ease

Short sterling prices finished on a weaker note in the London International Financial Futures Exchange yesterday. Values were marked up in early trading on expectations of a cut in clearing bank base rates. Later in the day rates were reduced to 8½ per cent as hoped for but prices fell from the day's highs on profit taking. This was partly a reflection of market philosophy that most of the good news had now gone by and there was probably now a period of consolidation.

The June price opened at 91.23, up from 91.23 but eased later in the day to finish at 91.20.

Euro-dollar prices may also have exerted some influence with values marked lower on high Federal funds and fears on U.S. money supply growth. There was also considerable concern over current negotiations on cutting the U.S. budget deficit. In addition the market showed some reluctance to commit itself as uncertainty built up ahead of the U.S. Presidential election.

The June Euro-dollar price opened at 89.28 down from 89.33 and traded between 89.29 and 89.23 before finishing at 89.25.

Gilt prices faded after a firmer start. Values were marked firmer initially in reaction to what was seen as a generally favourable budget. The absence of any follow through and a rather weak U.S. bond market encouraged profit taking later in the day and after opening at 109-27, the June price fell away to finish at the day's low of 109-10, down from Tuesday's close of 109-23.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	89.25	89.29	89.23	89.33
Sept	88.88	88.91	88.87	88.96
Dec	88.58	88.61	88.58	88.67
March	88.32	—	—	88.41
June	88.05	—	—	88.13

Volume 2,230 (2,573)

Previous day's open int 12,570 (12,928)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
March	67-16	67-19	67-03	67-20
June	66-26	66-29	66-13	66-30
Sept	66-10	66-11	65-30	66-12
Dec	65-27	65-27	65-12	65-29
March	65-15	65-15	65-06	65-15

CONTRACTS & TENDERS

INTERNATIONAL CAPITAL MARKETS

Peter Montagnon on the impact of settling Ambrosiano

Italy relaxes borrowing

EXPECTATIONS that the forthcoming settlement of debt problems surrounding the bankrupt Banco Ambrosiano could lead to a strong revival of Italy's borrowing in international markets are likely to be confounded, according to senior Italian officials.

When the settlement is complete, creditors of Banco Ambrosiano Holding, which include such major banks as National Westminster and Midland, are expected to lift their informal boycott on new loans for Italy. Theoretically this could lead to a rush of loan opportunities as Italy seeks to cement its new friendship with the international banking community.

But Sig Giovanni Magnifico, central director of the Bank of Italy, said in London yesterday that Italian borrowers would be making net payments to the international capital markets this year for the second consecutive year.

The country's current account balance of payments, which was in heavy deficit of $5bn as recently as 1982, swung into a surplus of about £500m last year. This year it is likely to be in rough balance, which means that Italy can be much more relaxed about its approach to international borrowing, he said.

There are two main strands to its present policy.

On the one hand, Italian borrowers want to restructure their debts to lower servicing costs, improve maturity profiles and spread currency risks. Two-thirds of Italy's $40bn medium and long-term foreign debt is denominated in dollars with only about 20 per cent in the currencies of EEC countries (including European Currency Units).

Sig Magnifico comments: "We feel that we should aim at a diversification as concerns currencies, markets, interest rate mechanisms and maturities." He was in London together with representatives of several leading state sector borrowers to study prospects in London's bulldog bond market for foreign borrowers.

Italian borrowing in the international capital market ($ bn)

	1979	1980	1981	1982	1983
credits	3.71	6.27	6.03	3.66	2.95
bonds	0.34	0.90	1.11	2.21	1.55
	4.05	7.17	7.14	5.87	4.50

Source: Morgan Guaranty Trust

Overriding the wish for diversification, however, is Italy's second aim, which is to maintain a low profile in the markets in order to give Italian borrowers a rarity value that should improve the terms they can obtain.

This tactic, which is similar to that now being employed by France, means that borrowings purely for debt restructuring purposes are still likely to be limited.

In fact, Sig Magnifico says, Italian borrowers have turned down offers of money this year. The railways organisation, Ferrovie dello Stato, took up only DM 100m of a recent DM 200m bond issue offered on the German market, while Ente Nazionale Idrocarburi, the state energy group, limited the increase in its recent credit to Ecu 450m despite subscriptions in excess of Ecu 800m.

This tactic is starting to pay off as banks, which only a year ago claimed to be near their country limit on Italy, become hungry for assets. Istituto Mobiliare Italiano, the state financing company, is currently arranging a small $75m credit through Chemical Bank and Industrial Bank of Japan which bears margins of only ⅜ to ½ per cent over London inter bank offered rate.

This is distressingly low for bankers in the loan market, but Sig Magnifico feels the terms simply represent fair treatment of Italian borrowers. "After a long time things are starting to move in a reasonable direction. There was some unjustified discrimination against Italian borrowers. This is now being done away with."

On balance Italy's strategy means that its borrowers will be less in evidence in the capital markets this year than last. Amortisation payments which have to be refinanced total only about $3.5bn this year compared with $5bn in 1983. Some borrowers might show a net increase in their outstanding debt, but a criterion for this will be that the money is actually needed for investment programmes.

Here again, however, the prospects for much new business look slim. ENEL, the state electric utility, has for example an investment programme equivalent to about $3.8bn this year, but, says Sig Luigi Giovannelli, a senior executive, higher state capital injections, higher tariffs and good domestic liquidity "mean that we'll limit our presence in the international market."

Some agencies such as STET, the telecommunications body, are recording stronger operating surpluses, while Ferrovie has covered most of its foreign financial requirement for investment purposes, according to Sig Mario Cicci, its treasurer. Sig Massimo Amari, of the state holding company Istituto per la Ricostruzione Industriale, says its repayments will be in excess of new borrowing in 1984.

That leaves the Republic of Italy itself. Sig Magnifico admits that the Bank of Italy and the Treasury have dallied with the idea of launching the first ever credit in Italy's own name. But an unusually firm sense of discipline seems to have prevailed. "We cannot ignore the macro-economic aspect, in that foreign borrowing should be related to investment activity."

For the time being that outweighs the prestige of using the Republic's name to set a new benchmark low for Italian margins in the credit market. Perhaps those margins would now be so fine that banks should simply be grateful for Rome's self denial.

Good reception for $250m FRN from Lloyds Bank

BY MARY ANN SIEGHART IN LONDON

WHILE PRICES of seasoned Eurodollar bonds slid by up to ⅜ point yesterday, $450m worth of bonds were launched on the primary market.

Lloyds Bank is raising $250m through a 20-year floating rate note paying ⅛ per cent over the mean of the six-month London interbank bid and offered rates (limean) at par. Led by Lloyds Bank International, the bond has a sinking fund in the last five years, which brings its average life down to 18 years. The issue was well-received; it traded within its 1.30 per cent total fees at a discount of about 1.05 per cent.

BHF Bank bond average

March 13		Previous
99.955		99.824
High	1983-84	Low
102.017		97.699

American Savings and Loan Association issued a novel $100m fixed-rate bond which is backed by securities from the Government National Mortgage Association (Ginnie Mae), the U.S. housing finance agency.

The collateral of these securities, which are backed by the "full faith and credit" pledge of the U.S. Government, gives the bonds a triple-A credit rating.

The $100m deal has a five-year maturity and a 12 per cent coupon at par. Salomon Brothers is lead manager with Bear, Stearns International and Credit Suisse First Boston. It seemed to be popular with investors and traded within its selling concession at a 1 point discount.

Yokohama Asia, with the guarantee of Yokohama Bank, issued a $100m, 10-year FRN paying ⅛ per cent over Limean at par. The note has a put option after seven years and front-end fees of 0.70 per cent. Led by Citicorp, CSFB, SBC International and Yokohama Asia, the note was selling slowly yesterday at a discount of around its front-end fees.

Volkswagen is expected to launch its DM 200m, 10-year bond today. Rumour has it that the coupon will be 7⅞ per cent at a price of 99¾. Deutsche Bank will be lead manager.

Prices drifted up slightly in both German and Switzerland in fairly quiet trading.

Greece to tap market for $150m floater

BY PETER MONTAGNON IN LONDON

GREECE is to raise $150m in the floating rate note market as part of a $500m loan package it has mandated to Bank of Tokyo, Morgan Guaranty and Union Bank of Switzerland.

The 10-year floating rate note will be launched today at a price which will give the borrower an all-in cost on a straight line basis of about ½ per cent over London interbank offered rates for Eurodollars. It is to be followed by a $350m, seven-year credit.

Use of the floating rate note market has allowed Greece to obtain much lower overall borrowing costs for the package than many banks had expected. The credit will bear a margin of ⅜ per cent over Libor and lenders will not have an option to subscribe at a margin over the more lucrative U.S. prime rate. Repayments will start after a grace period of four years.

Greece's initial announcement that it planned to borrow $500m prompted expectations that it would have to concede a prime margin, since many banks said they were unwilling to underwrite such a large deal without one. Use of the floating rate note market has, however, cut the amount of the syndicated credit to a level where lead managers should feel more comfortable with their commitments.

Bank of Tokyo is to be agent for the credit. This means Japanese banks will be able to subscribe half the amount or $175m.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for March 14.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alaska Housing 11¾ 94	100	97⅛	97⅝	0	−0⅝	12.21
Australia Comm 11¼ 90	100	99⅝	99⅞	0	−0⅛	11.38
Australia Comm 11½ 95	300	95¼	95¾	+0⅛	−0⅝	12.22
Australia Comm 11⅝ 98	100	95⅛	95⅝	−0¼	−0⅝	12.38
Australian Ind Dev 11 89	75	96⅛	96⅝	−0¼	−0⅜	12.01
Bank of Tokyo 11⅞ 90	100	95⅝	95⅞	−0⅛	−0⅝	12.62
Beneficial O/S Fin 12 91	100	94⅞	95⅜	−0⅛	−0¼	13.10
Britoil Fin 11⅞ 98	125	96⅞	97⅜	−0½	−1	12.50
Canada 10⅝ 88	500	96¾	97¼	−0⅛	−1⅛	11.71
C.C.C.E. 12⅝ 95	75	97½	97⅞	+0¼	−0⅜	13.00
Citicorp O/S 10⅞ 90	100	90¼	90¾	−0⅛	−0⅛	12.67
Citicorp O/S 11¾ 90	100	96½	97	−0⅛	−0¼	12.47
D.N.C. 11¾ 91 WW	50	94⅞	95⅛	+0⅝	+0⅝	12.75
D.N.C. 11¾ 91 XW	50	94⅝	94⅞	+0¼	+0¼	12.96
Denmark Kingdom 12⅝ 93	100	97⅛	98⅛	0	−0½	12.82
Dutch Mines 11⅞ 91	150	94⅜	94⅞	0	+0⅛	12.57
E.D.C. 11⅛ 89	150	95	95½	0	−0½	12.46
E.E.C. 12 93	50	98	98½	0	−0⅛	12.29
E.I.B. 11½ 90	200	95⅛	95⅝	−0⅛	−0½	12.53
Eksportfinans 11½ 90	100	94⅝	95⅛	0	−0¼	12.65
Gen Elec Credit 11 91 WW	200	95⅛	95⅝	−0⅛	−0⅞	12.01
GMAC O/S Fin 11⅞ 90	100	96¾	97¼	0	−0⅝	12.83
IC Indust Fin 11⅞ 98	75†	95¾	96¼	0	−0⅞	12.46
Indust Bk Japan 11½ 89	125	96¼	96¾	+0⅛	−0⅞	12.48
Indust Bk Japan 11⅞ 91	100	95⅛	95⅝	−0¼	−1½	12.37
ITT Finance 11½ 89 WW	125	98⅝	99⅛	+0⅛	+0¼	11.75
J.C. Penney 11⅞ 90	100	96⅝	97⅛	−0⅛	−1⅛	12.65
J.P. Morgan 11¾ 90 WW	150	96½	97	0	−0⅝	12.88
L.T.C.B. 12½ 90	85	99⅛	99⅝	−0⅛	−1⅛	12.60
Macy O/S 11¾ 91	100	96⅜	96⅞	−0¼	−1	12.48
Mitsui Trust Fin 12 91	100	95⅜	95⅞	−0¼	−1¼	12.87
Nat Gasunie 11¼ 91	75	94⅜	94⅞	−0¼	0	12.44
Nippon Credit 11⅞ 90	100	95½	96	−0⅛	−1	12.82
Nippon Tele 11⅞ 90	100	97⅛	97⅝	−0¼	−0½	12.81
Norwest O/S 12¼ 91	50	95	95½	+0⅛	−0½	12.97
Nova Scotia Pro 11¾ 91	100	95⅝	96⅛	−0⅛	−0⅝	12.67
Ontario Hydro 11⅝ 94	200	93⅝	94⅛	0	−0⅞	12.74
Ontario Hydro 11¾ 90	200	97⅛	97⅝	−0⅛	−0⅞	12.32
Pacific Gas & Elec 12 91	75	99½	100	0	+0⅛	12.82
P.K. Banken 12 90 WW	75	95⅜	95⅞	−0⅛	−0⅛	12.89
Prudential 10⅞ 93 XW	150	88⅝	89⅛	0	+0⅛	12.16
Quebec Hydro 11½ 92	100†	98⅛	98⅝	−0⅛	−1⅛	12.15
Quebec Province 12¼ 94	150	98½	99	+0¼	0	12.46
[illegible]						

Further sections of the bond service (remaining U.S. dollar straights, other straights, floating rate notes, Deutsche Mark straights, Swiss franc straights, Yen straights and convertible bonds): [illegible]

Convertible bonds	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Olympus Optical 6⅞ 97	12/82	1157	186	187½	+0¼	18.75
Ono Pharma'cal Co 3⅞ 98	3/84	4480	120⅝	122⅝	+0¼	11.82
Orient Leasing 5¼ 98	6/83	2680	152¼	153⅞	+1⅜	−5.37
Secom 5 98	11/83	2928	286⅝	288⅝	+33⅛	1.57
Yamaichi Sec Co 5 98	8/83	449.5	104½	106	−0½	−6.91
Yamanouchi Pharm'cal 4 90	10/83	1868	98¾	99⅝	−0⅛	22.92
Nippon Airway 2⅝ 94 SF	2/84	354	98⅝	99⅝	−0⅛	−3.85
Nippon Shinpan Co 2 92 SF	3/84	891	100	101	+2⅛	3.07
Beltsu Paper 2¾ 92 SF	4/84	677	97⅞	98½	+1⅜	0.11
Asics 5 92 DM	12/83	528	111¾	112⅝	−0¼	23.43
Sam Realty 6⅛ 92 DM	2/83	385	138½	137½	+1½	−4.18

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn. = current coupon. Cu. yld = current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

OVER-THE-COUNTER – Nasdaq National Market

Continued from Page 42

Stock		Sales (Hnds)	High	Low	Last	Chng
Salbal	.30	631	18¾	18¼	18⅝	+⅜
Semicn		66	9¼	9¼	9¼	+¼
Sensor s	.05	4269	8¾	8½	8⅝	
SvMer s	.08	4176	14½	13⅞	14⅛	−⅛
Svmst s	.96	242	31¾	30½	31¼	+¼
SvcFrct		66	9¼	9¼	9¼	+¼
SvOak s	.16	449	15¼	14⅞	15	+¼
ShrMed	.40	657	25¾	25⅛	25½	−⅛
Sheldhl		422	17½	16½	17½	+½
Shony s	.16	339	23½	23¼	23¼	−¼
ShonSth		14	15	14½	14½	−½
SilcnG s		53	13½	13	13	−½
SiliconS		36	19¾	19⅛	19⅛	−⅛
SilicVal		17	23	23	23	
TacViv s		11	7¾	7½	7¾	−⅛
Tmpx	3	200	49¾	49½	49½	−¼
Tandem		2976	35½	33⅞	34⅝	+⅝
Tandn s		2969	13¾	13	13¼	−⅛
TcCom		85	13½	13¼	13½	
TlcmA s	t	408	17⅞	17½	17⅝	+¼
TelPlu s		5942	8¼	8	8¼	+⅛
Telecrd	.28	293	19¼	18¾	19⅝	+⅞
Telepict		78	13⅛	12⅞	12⅞	
Telvid		383	11½	11¼	11¼	
Telabs s		887	19¾	19¼	19¾	+¼
Telxon	.01e	7	9½	9	9½	
TermD s		7	12¼	12¼	12¼	+⅛
WlerTel		962	8½	7⅝	8½	+½
WshE	1.60	607	15⅝	15⅛	15⅛	+⅛
WFSL s		166	17⅛	16½	16½	−⅛
WMSB		45	11⅛	10⅞	11	
Wavtk s		92	10⅝	10¼	10½	
Webb s	.48	49	14½	13⅞	14	−⅛
WstCasS	2.84	77	44½	44	44	
WstDgtl		1500	9⅝	9¼	9½	+⅛

Remaining Over-the-Counter listings (R–S, S, T–T, U–U, V–V, W–W, X–Y–Z): [illegible]

مكتبة الأصل